

WisdomTree
Third Quarter 2025 Earnings Results Call
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Presenters

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

Q&A Participants

George Sutton - Craig-Hallum Capital
Mike Grondahl - Northland Capital Markets
Michael Cyprys - Morgan Stanley
Keith Housum - Northcoast Research Partners
Chris Kotowski - Oppenheimer & Co.

Operator

Greetings, and welcome to the WisdomTree Third Quarter 2025 Earnings Results 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 during the conference, please press “*”, “0” on your telephone keypad.

Please note, this conference is being recorded.

I will now turn the conference over to Jessica Zaloom, Head of Corporate Communications. Thank you. You may begin.

Jessica Zaloom

Good afternoon. 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 in 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 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 by covering our third quarter results, along with updates to our forward-looking guidance before turning the call over to Jarrett and Jono for additional updates on our business.

We ended the third quarter with record global AUM of \$137.2 billion, driven by strong organic growth and favorable market conditions. This includes record U.S. AUM of \$88.3 billion, record European AUM of \$48.3 billion and digital AUM of almost \$600 million.

In the third quarter, we generated \$2.2 billion of global net inflows, bringing year-to-date inflows through September 30 to \$8.8 billion, an annualized organic growth pace of 11%. These flows have been broad and diverse across our global product suite with contributions from every region.

Year-to-date inflows include \$2.5 billion in the U.S., \$5.8 billion in Europe and roughly \$550 million in digital assets. Significant contributors during the third quarter included meaningful flows into our European gold and cryptocurrency products, as well as our European defense fund and our digital money market fund.

We also reached a major milestone in early October with the closing of the Ceres acquisition. This transaction immediately increases our revenue capture and operating margins by more than 200 basis points, while further diversifying our AUM mix by introducing farmland as a negatively correlated asset class. Ceres also opens the door to incremental revenue opportunities stemming from alternative uses of farmland, including solar projects and AI data centers.

Backed by strong organic growth, disciplined execution and strategic capital deployment, we are operating from a position of strength, well positioned to deliver sustainable growth and long-term shareholder value.

Next slide. Adjusted revenues were \$125.6 million during the quarter, an increase of 11.5% from the second quarter and up approximately 14.7% versus the prior year quarter, driven by higher average AUM.

Our other revenues increased to \$11 million this quarter versus \$8 million to \$9 million in previous quarters. As a reminder, other revenues comprise both asset-based and transaction-based fees on our European listed products, of which 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.

On a year-to-date basis, our adjusted revenues have grown 10.7%, driven by higher average AUM and higher other revenues attributable to our European listed products, partly offset by a lower average fee capture.

Our adjusted net income for the quarter was \$34.5 million, or \$0.23 per share. Our adjusted net income excludes the loss on extinguishment of convertible notes of \$13 million, acquisition-related costs of \$2.4 million and other miscellaneous items.

Next slide. Now a few comments on our forecasted guidance. We have no changes to our previously reported compensation and discretionary expense guidance. We reported a gross margin of 82.2% in the third quarter, an increase of over 100 basis points versus the second quarter, due to higher AUM levels. We anticipate our gross margin increasing to 83% in the fourth quarter when factoring in the incremental revenue arising from the Ceres acquisition, resulting in an overall gross margin of about 82% for the full year.

We reported \$8 million of adjusted interest expense in the third quarter, an increase from \$5 million in previous quarters due to convertible notes we issued in mid-August to facilitate the Ceres acquisition. We anticipate our adjusted interest expense to be approximately \$11 million in the fourth quarter, taking into consideration the full quarter impact of this recently completed financing.

During the third quarter, we reported \$4 million of interest income, higher than our previous run rate of approximately \$2 million per quarter, due to temporarily investing the capital raised from our convertible note issuance to facilitate the Ceres acquisition. We anticipate interest income in the fourth quarter reverting back to earlier levels of approximately \$2 million to \$3 million.

And our weighted average diluted shares were 150.7 million during the third quarter, which included 5.8 million of incremental shares related to our convertible notes, partly offset by the weighted average effect of repurchasing 6.8 million shares of common stock in connection with our recently completed convertible note issuance. We anticipate our weighted average diluted shares to be 146 million to 149 million in the fourth quarter, taking into consideration the full quarter impact of the 6.8 million shares we repurchased in August.

This also contemplates approximately 5 million to 7 million 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.

With respect to the Ceres acquisition, our overall expense guidance for the year remains largely unchanged. Ceres's estimated annualized operating expenses are approximately \$15 million, of

which roughly 80% is related to compensation. Approximately one quarter of this expense should impact us in the fourth quarter.

While we generally don't provide revenue guidance, Ceres' trailing 12-month historical revenues were approximately \$40 million, which should be informative for establishing a baseline revenue expectation for your models.

Revenue is comprised of both a base fee of approximately 1% on AUM and a 20% performance fee. Performance fees generated will ultimately be driven by the underlying returns of the farmland managed by Ceres and, therefore, recent historical actual revenues earned is not indicative of revenue that may be earned in the future.

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

Jarrett Lilien

Thanks, Bryan. This was another solid quarter for WisdomTree, highlighted by record firm-wide AUM, strong net inflows and continued execution across all areas of our business. We ended the quarter with over \$137 billion in AUM, setting a new high watermark, not just for the firm overall, but for every one of our business lines, individually.

Net inflows exceeded \$2.2 billion for the quarter, driven by broad-based strength across our product lineup with nearly twice as many funds seeing inflows versus outflows, and that breadth of performance underscores the depth and resilience of our platform and the consistent execution of our strategies across regions, products and channels.

Since quarter end, we closed on our acquisition of Ceres Partners, bringing our total AUM to over \$140 billion for the first time in our history, an important milestone that also marks our entry into private assets, an exciting new growth vector for WisdomTree.

Gold also continues to be a standout. Our physical gold and gold overlay strategies now exceed \$22 billion in AUM, reflecting 57% growth, year-to-date. These strategies brought in over \$1 billion of net inflows in the quarter alone, highlighting both the strength of our offering and the trust we've earned from clients seeking real asset exposure in today's environment.

And importantly, we're not just growing AUM, we're also deepening client relationships. The number of clients using WisdomTree products grew meaningfully during the quarter, and the average number of WisdomTree solutions used per client also increased. And that combination, wider reach and deeper wallet share, that's the foundation of sustainable organic growth, and we're seeing it at work.

Turning to models. This continues to be one of our fastest-growing areas. Model AUM grew to approximately \$5.85 billion, up more than 50%, year-to-date. Adviser adoption remains strong with the number of advisers using our models now up sharply from the start of the year.

Custom models were again a key driver in the quarter. We onboarded 13 new custom model clients, reinforcing our ability to meet advisers where they are. With an \$18 trillion opportunity across 85,000 advisers, we're still in the early innings, but our traction is real and growing.

In digital assets, we continue to also see meaningful progress, particularly within our WisdomTree Connect platform, while WisdomTree Prime is now live with on-chain transfer capabilities. We exited the quarter with around \$600 million in AUM with peak levels near \$900 million, driven largely by flows into our blockchain-enabled money market fund.

Two core client segments are leading adoption, stablecoin issuers using the fund for reserves and on-chain native businesses using it for corporate treasury. Our ability to make redemption as seamless as funding has proven to be a real differentiator. And based on client feedback, that ease of use is not a given with competing products. It's exactly the kind of frictionless experience that builds trust and wallet share, over time.

While digital asset flows can fluctuate week-to-week, the trend is clear. We have strong traction year-to-date and an even stronger pipeline, ahead.

Operationally, we remain focused on what we can control, managing expenses with discipline, maintaining efficiency and leveraging the scale of our platform. Our business model continues to demonstrate tremendous operating leverage and as we grow, we see substantial margin expansion ahead.

Back in February, we laid out our 2025 strategic priorities, and we're executing on all facets of this plan. We're doing what we said we would do, and we're doing it with consistency, focus and discipline.

In summary, we have strong momentum. And as we look ahead, our foundation has never been stronger, a diversified, scalable platform that continues to perform across market cycles and positions WisdomTree for long-term success.

And with that, let me now turn it over to Jonathan.

Jonathan Steinberg

Thank you, Jarrett. Hello, everyone. Today, I'll be brief. It was a strong and straightforward quarter. Everything Bryan and Jarrett shared today reinforces that when sound strategy meets disciplined execution, strong results follow.

WisdomTree is the strongest we've ever been. We've achieved a new level of scale. We've achieved a new level of diversification, diversification of asset class, client type and geography. Our scale, stability and growth initiatives have positioned WisdomTree to thrive in the years ahead.

Now I'd like to turn the call back to the operator for questions.

Operator

Thank you. And at this time, we'll conduct a question-and-answer session. If you would like to ask a question, please press "*", "1" on your telephone keypad. A confirmation tone will indicate your line is in the question queue. You may press "*", "2" if you would like to remove your question from the question 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.

Your first question comes from George Sutton with Craig-Hallum. Please state your question.

George Sutton

Thank you. Nice results. So, Europe has obviously been the star with 2x the amount of flows that the U.S. has seen. Can you just give us a kind of a 3-to 5-year vision of what you would expect to see there in terms of flows, U.S. versus rest of world?

Jonathan Steinberg

Hi, George, thanks for the question. Europe is a few years behind the U.S. in terms of ETF adoption. So we feel that there's very strong fundamental underlying growth for Europe. And we really have achieved with nearly \$50 billion of AUM and a very strong revenue capture, just a very strong footprint within that space.

So I'm expecting that we'll continue to see very strong growth. It's hard to put a number on the five years, but the fundamentals of our European business is very strong. And we're seeing a synergy between the U.S. and the European business, a lot of cross-pollination of ideas and also, Europe is the gateway to the global investor. And so it's a very positive for WisdomTree. Jarrett, is there anything you'd like to add?

Jarrett Lilien

Yeah, the only thing I'd add is really what is, I think, exciting for us is our global product suite. We now really have such breadth and depth that no matter what the markets are doing, we have a set of our products that are going to play well in that market. And you're seeing that on display, I think, this year. We've had still nice positive flows in the U.S., but as you pointed out, Europe has been great. But then as Jono also pointed out, some of the global launches now are also paying dividends. So I think it's really the global product suite that is on display here.

George Sutton

Got you. So I wanted to just spend a little bit more of a focus on the digital asset side. You have a tech stack that really created this and you've been working on it for years. Now this -- the market is viewing these kinds of tech stacks as extremely valuable. I don't know if you saw Securitize going public via SPAC for \$1 billion. My sense is that's the least valuable part of your

tech stack. So I'm just curious, when do you think the market will begin to appreciate this? Have you contemplated a tokenization as a service? Just wondered if we could move in that direction.

Jonathan Steinberg

Will, why don't you start?

Will Peck

Yes. Hey, good morning, thanks for the question. So yes, I did see the news, I did read their deck. I mean the short answer is yes, and we're in active conversations around tokenization as a business concept. But just taking a step back in terms of what's that technology stack that you're referring to. So we compete with Securitize products today like BIL, other products in the market.

We're winning mandates. Even since this deck was published earlier this week, we're up another \$20 million in flows into the digital assets platform, into WTGXX.

So how I think of us as compared to our competitors and how we're winning this business, at a big picture, it's the most regulated structures with the highest functionality.

And in terms of the tech stack that we've got, it's an asset management platform, so that's what WisdomTree does today, right? We're the asset manager. It's a tokenization platform, so we refer to it as our token issuance platform, TIP. And it's also stablecoin orchestration. So an example of a stablecoin orchestrator would be like a Zero Hash that's been in the news, recently.

So we do all three of those things in our stack. And the synergies that come with that have allowed us to kind of customize things for clients and kind of meet them where they are and win business that way.

I think going forward, we're going to be adding things like trading and 24/7 T instant liquidity to these exposures as well, making them feel more and more like a crypto-native business -- crypto native exposure, sorry, improving upon what exists today. We're very excited about that. I think you'll be seeing more coming there in the near future. So all told, I mean, we feel great about our position in the market with this. Hopefully, the market continues to value and appreciate that, and we're going to keep winning business going forward.

George Sutton

That's really helpful.

Jonathan Steinberg

George, let me just throw one thing in. I don't know whether Securitize actually goes public with a valuation of \$1 billion. But if it does, you would literally have a public direct value comparison to a part of our digital asset business to put in your sort of sum of the parts analysis of WisdomTree. And I would expect that if such a thing were to take place, WisdomTree would trade higher. Thanks, George.

George Sutton

Great. One other question, if I could. You mentioned relative to Ceres and the fact that you now have entered the private asset market. When you say we have just now entered the private asset market, are you contemplating other moves there? And I'm just curious how that would be done.

Jonathan Steinberg

So without -- first, we were very, very disciplined in our acquisition, a highly accretive transaction, one that really gave us leadership in a very exciting uncorrelated asset. But this is definitely just the beginning. For those that have been following WisdomTree for a number of years, if you remember, our first investment in Europe was now almost 11 years ago with an investment in something called Boost, and you could see how over a 10, 11-year journey, how we grew that. We're definitely focused on privates. We see opportunities. I can't flag for you how we will execute against it, but only know that we're focused on it, and I expect that you'll see more to come.

George Sutton

All right. Thanks, guys, appreciate it.

Operator

Your next question comes from Mike Grondahl with Northland Securities. Please state your question.

Mike Grondahl

Hey, guys, thanks. Two questions. One, looking at Slide 13, the digital asset metrics, the \$592 million that's just grown like a weed. Can you talk in a little bit more detail the underlying drivers of that? You mentioned stablecoin issuers. And what customers, whether it's institutional or retail, are buying those funds? I think if you break that down, it would be helpful.

Jonathan Steinberg

Will, I think that's you.

Will Peck

Yeah, happy to take the question. So in the deck, \$590 million. I think, as of today's close, it should be about \$680 million. So yes, it's grown very quickly quarter-over-quarter, I mean, up from \$30 million at the start of the year. So that's exactly right.

I mean we see a lot of success with stablecoin issuers. So these are businesses that are, whether in a regulated construct or kind of in other constructs issuing stablecoins and they invest in WTGXX as a reserve asset that backs their stablecoin. So that's kind of one primary market segment.

We also see, as Jarrett referenced, so businesses that are crypto native or blockchain native that use stablecoin as part of their treasury management, they're looking for a kind of a treasury asset, that's yield bearing that kind of fits within their workflows. And that's where the WTGXX, the money market fund has great kind of product market fit as well. I expect as more and more businesses in the U.S. adopt stablecoins, the addressable market for that is going to grow even more.

And then beyond that, there's kind of different collateral management use cases that we're seeing as well, both in the kind of a crypto-native construct, but also with traditional businesses as well. So those are the three types of businesses that we're seeing success on the institutional side.

On retail, where we see the most applicability going forward is with kind of on-chain native customers. We call them on-chain experts. So these are people that participate in DeFi, invest in DeFi, do things like yield farming. They're looking for traditional exposures that they can use as part of their strategies. So like just by way of example, we launched yesterday all 14 of our products on the Plume blockchain.

Maybe it sounds in the weeds, but it's a blockchain that's focused on real-world asset exposures, got a \$10 million seed investment as part of that. And you can just see in the community after that announcement, the excitement around having assets that yield something like north of 10% that they can use as part of their exposures. So those are the types of customers that we're seeing that's driving that AUM higher.

Mike Grondahl

Great, that was really helpful.

Jonathan Steinberg

Will, could you also talk about our public filing for the money market fund that's in -- we're waiting for the SEC to reopen?

Will Peck

Yes, and I alluded to this but I think, critically for these exposures, we want them to trade in the secondary market at T-instant liquidity, 24/7 liquidity. That's really the power of blockchain that you've seen with tokens, Bitcoin even itself, right? Native 24/7 peer-to-peer transferability and kind of active markets, right?

So we are actively working on bringing that forward for the WisdomTree money market fund, WTGXX. That kind of adds functionality above and beyond what exists today in the traditional space and really meets a lot of the clients that I named where they are, where in addition to kind of some of the on-chain functionality, on-chain orders that we have today, the ability to sell instantly for stablecoins just adds a whole new layer that they can't do, today. So that's -- we are

working on that. There's a public filing around it that you can read more on at the SEC. And hopefully, we can bring that forward soon.

Mike Grondahl

Jono, what would you say are the top two priorities for 2026 as you're sitting here today?

Jonathan Steinberg

I would say faster revenue growth and higher revenue capture. Can you scale?

Mike Grondahl

Got it. Hey, congrats, guys. Thank you.

Jonathan Steinberg

Thank you.

Operator

Your next question comes from Michael Cyprys with Morgan Stanley. Please state your question.

Michael Cyprys

Hey, good morning, thanks for taking the question. Maybe just sticking with the digital assets topic. Can you just talk a little bit about some of the steps you're looking to take over the next 12, 24 months to expand distribution access to build more customers, more assets in these funds? I think most of the traction has been on the money market fund, but you have a whole host of them. I think you mentioned 13. You have the treasury one. You have a gold one that's been out there for a bit. Remind us which blockchain they're on. How are you thinking about expanding access? What's the scope of partnering with some folks out there like Coinbase, Gemini and others? Thanks.

Jonathan Steinberg

Will.

Will Peck

Happy to take this. So yes, so in terms of -- specifically on the blockchain question, so we're now on seven public blockchains, Ethereum, Arbitrum, Avalanche, Base, Optimism, Stellar and now Plume, I think I named all seven. So I mean, it kind of gets into the weeds, but really, we want to just meet clients where they are. So when we see commercial opportunities that there's a kind of organic adoption happening on a certain blockchain for a certain use case, we like to bring our products there and certain technical kind of considerations and risk considerations that go into that, as well.

So I mean, in terms of expanding the reach, so right now, we've got kind of two platforms that we're onboarding people to, right? There's U.S. retail that can onboard to WisdomTree Prime, which feels a lot like a kind of traditional neo-bank, neo-broker experience. We think we've done

that as well as it can be, but that requires downloading an app, signing up, kind of going through that process.

We've also got WisdomTree Connect, where there's businesses that onboard with us, and that's kind of a traditional business KYB onboarding process, as well. And then once we onboard them, we essentially tag the wallets that they white-list with us, and they're allowed to, enabled to engage with our products and services from there.

So that's kind of where we're starting at today. I think there's a lot of opportunity to just expand onboarding beyond what we can do just directly through those two channels. I mean, one that we've talked about in the past would be the right sorts of fintech relationships, other fintechs where we can do a B2B2C model where WisdomTree's products, the transactions that we support could be available through other apps, as well.

And I think what's actually quite interesting about doing this in kind of a DeFi native way is there could be other ways that -- and this is all kind of whiteboarding hypotheticals at this point, but the industry is working on this -- is onboarding based on attestations or onboarding people in a more decentralized construct where they can just onboard their wallet directly with us by filling out a web form.

So I mean, that's early innings on those things, but a key focus for digital assets over the next 12 months is in addition to how do we get these things trading within crypto-native workflow, but how do we just onboard more and more people just to sell our products and services to them while still doing it in like a very trusted regulatory compliant way. So that's how I think about it. I hope that answers your question.

Michael Cyprys

Great. And then more broadly on tokenization with the Ceres acquisition that brings you into private space. I guess, how do you think about the opportunity for tokenizing real-world assets, including farmland? Where is that on the priority stack? How might you go about that, and what might the steps you need to take in order to bring that to fruition?

Jonathan Steinberg

Jarrett, do you want to start?

Jarrett Lilien

Sure. I think there are certain things that are certainly on the roadmap for tokenization that make all the sense in the world. Farmland is actually not one of those. It's not really the most suitable solution for it. So for us, the -- going on farmland, we've got a great model there, great returns, uncorrelated asset, but also some nice synergies with our own distribution team. And so we look to run that business, run it well with the existing team, but then look at how we better leverage our own infrastructure to enhance the returns there.

Jonathan Steinberg

InComm Conferencing

Mike, so I would also just add that you are seeing, we're in the early days, the '40 Act ETFs do allow for up to 15% of the portfolio to be in privates. And so, I would expect that you will see that evolve for the industry, but for WisdomTree specifically, we think it's a very big opportunity for us to blend privates and publics in the most seamless way. And so, there'll be more to come on that in the coming quarters.

Michael Cyprys

Great, thanks so much.

Operator

Your next question comes from Keith Housum with Northcoast Research. Please state your question.

Keith Housum

Good morning, guys, and thank you. Guys, just a basic question as we think about modeling the business, the Ceres business you guys acquired here. And I understand these are private assets and they're not priced every day like ETFs. But how would we expect to find like the AUM for this on a regular basis, or would we? We'll just get it at the beginning of the quarter or the end of the quarter?

Jonathan Steinberg

Bryan.

Bryan Edmiston

Yeah, it's going to be the latter. The AUM for Ceres will be reported at the end of the quarter.

Keith Housum

Okay. And then the performance-based fees, is there any indicators that we can look at that we might be able to try to estimate what the performance-based fees might be?

Bryan Edmiston

Yeah, sure. So let's think through the AUM walk. So we are starting with AUM of roughly \$1.7 billion to \$1.8 billion, today. Make your own flow assumption. But as a reminder, we had stated a target of roughly \$750 million of AUM into farmland-based strategies, over the next five years. It would be lower in the initial year as we integrate the business, and it would ramp up over that time horizon. And then we need to think about what mark do we apply to our AUM.

I'm going to assume roughly a 7% to 8% mark on Ceres's AUM plus the flow -- whatever flow assumption we're making. That mark seems to be a reasonable one, taking into consideration rental yields, long-term historical farmland returns, offset by fund expenses and fees. That mark assumption is a baseline one, solar and data center opportunities could drive this higher. That said, an adverse market environment could drive it lower as well.

The performance fee, it's roughly 15% of the mark on a net basis. So the formula, if I were thinking about this, Ceres's beginning AUM plus your flow assumptions, times your mark assumptions times 15%, and that should get you into the neighborhood of what our performance fee would be. On the management fees, it's 1% of average AUM, and then we provided some indication with respect to expenses on our prepared remarks.

Keith Housum

Great. I appreciate that. In terms of the digital strategy, I know there's a lot going on there. I can appreciate it, but I may not be able to understand all the complexities there. But if I think about what the impact is today to the income statement, I guess, what kind of impact are we talking about, today? I'm sure it's not that great, but maybe you can verify for me. And then, does today's performance justify increased investment or maintaining where you're at and just continuing down that path?

Jonathan Steinberg

Bryan.

Bryan Edmiston

So I'm sorry, just you want confirmation on what our current spend is in 2025?

Keith Housum

Well, not only the spend, but also the revenue. I know a lot's going on here, and I understand the fact you've got the--

Bryan Edmiston

--Yeah, so, right, got it. So on the revenue side, right now, we have, as Will had indicated earlier, \$650 million of AUM. That's roughly at a, call it, 25 basis point fee capture. And that's our primary driver with respect to revenue today on the digital platform. And the expenses and our net operating loss is in the neighborhood of what we've communicated, previously. It's mid-20s is kind of where we're at, at this point in time.

Jonathan Steinberg

Let me also just add. We believe, strongly, that there is a structural shift going on. We're ready for it, and the trend is much higher. In fact, I would say we believe, eventually, everything -- nearly everything will go on-chain. So tokenization of real-world assets over time will change the face of financial services. And with what we've accomplished year-to-date, I mean, we've gone from almost 0 to over \$600 million, and we're on the functional cutting edge of what is happening in real-world assets. So we're very, very bullish on it.

Keith Housum

Great, thank you.

Operator

Thank you. And your next question comes from Chris Kotowski with Oppenheimer & Co. Please state your question.

Chris Kotowski

Yeah, most of mine have been answered. But I was just wondering the \$2.4 billion in outflows post the quarter, it seems like it was like in commodities and USFR on like two or three days that just look kind of like not your normal flows. I was wondering if there's any explanation you have for that?

Jonathan Steinberg

Jeremy, do you want to start there?

Jeremy Schwartz

Sure, great to talk to you. Jeremy Schwartz, Global CIO. Our commodities AUM, when you look at the start of the year, it started at \$22 billion. Today, it's \$32 billion. So you've had a 50% to 60% increase in some of these prices, like gold moving higher. So I think after the big, big move higher, there was some profit taking, but most people's positions are up 50% down the year. So that was a natural source. And we did see some allocations.

You had the Fed meeting and there's some discussion of interest rates. You saw some people with the robust market put more of that cash to work in other things. In the same time, as USFR redeemed, we saw Japan, which had been in outflow mode, but has reduced -- had \$300 million or \$400 million, some of that might have been a reallocation putting cash to work. And I think we continue to see from the big flows at the start of the year, just actually a lot of energy below the surface in a bunch of the new thematic having this halo effect where you're getting new funds to scale in \$100 million much quicker.

So even beyond those few big ones, you're seeing things like nuclear, rare earth, quantum computing, which are all recent launches, get to \$100 million in our European business, very quickly. So there's a lot of good breadth, as Jarrett talked about earlier, that's building under that surface there.

Jarrett Lilien

Yeah, just I want to jump in there, too, and underlying some of the things that Jere said. I mean, some of these you never like to see outflows, but some profit taking in gold when you've seen the move that gold has had is pretty reasonable. With USFR, really, that was down to one or two clients that were rotating into other names, as Jere also mentioned. And actually, in one case, and the largest piece of that rotated into something with actually a higher fee. So while AUM was down, the net revenue of that rotation was up.

But the biggest point I'd make is you can get caught up in some of the noise of some short-term moves. But what I'm always looking at are more of the fundamentals. And we continue to do the things that are precursors for continued growth, and that is growing the number of our clients,

but also growing the numbers of products per client, and that continues, and that is the recipe for growth. And really, the rest of it in my book is short-term noise, but the long-term fundamentals for growth continue to be with us in a strong way.

Chris Kotowski

Okay, great, thank you.

Operator

Thank you, and that's all the questions we have today. I'll hand the floor back to Jonathan Steinberg, CEO, for closing remarks. Thank you.

Jonathan Steinberg

I just want to thank all of you for your time and attention, and we'll speak to you next quarter. Thank you, everybody. Have a good day.

Operator

Thank you. This concludes today's call. All parties may disconnect. Have a good day.