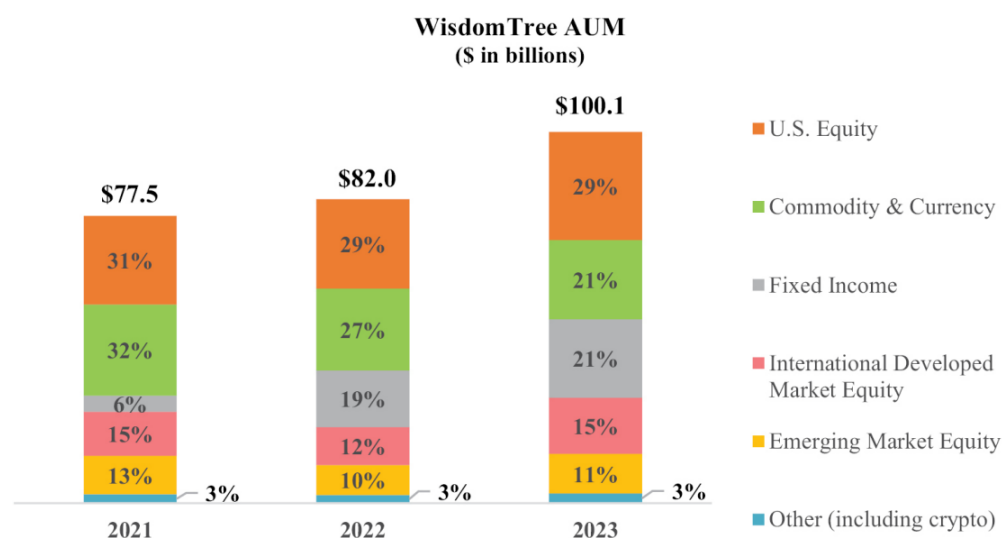


To subscribe/unsubscribe to the U.S. Convertibles distribution please send an email

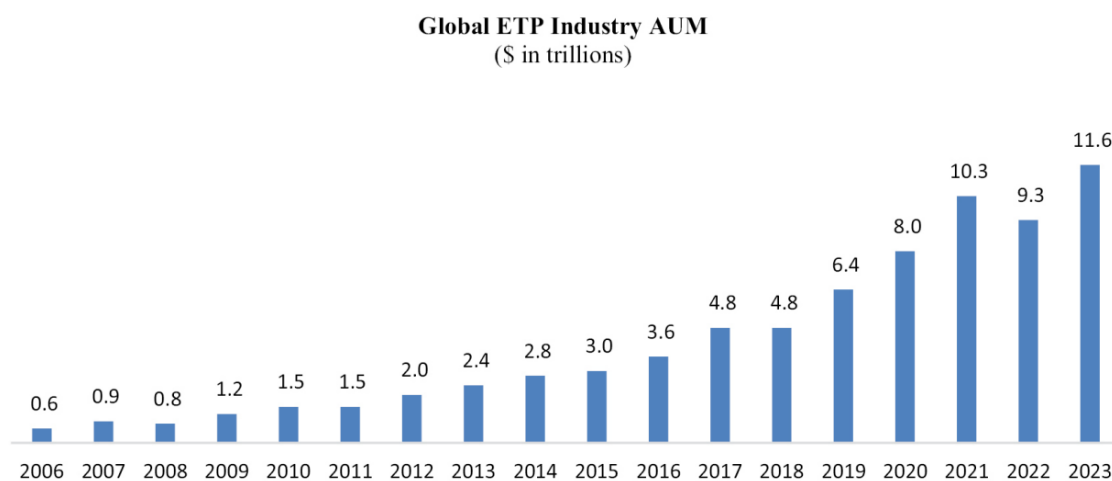
WisdomTree (WT) Business Overview

- WT offers a well-diversified suite of exchange traded products, models, solutions and products leveraging blockchain technology. ETP asset classes include equities, fixed income, commodities, leveraged-and-inverse, currency, alternatives and cryptocurrency strategies.
- WT offers alternative weighting products combining active/passive management. Most of WT's equity based funds employ a fundamentally weighted investment methodology, which weights securities based on factors such as dividends, earnings or investment factors, whereas most other industry indexes use a capitalization weighted methodology.
- The Company's products are distributed through all major channels in the asset management industry, including banks, brokerage firms, registered investment advisers, institutional investors, private wealth managers and online brokers primarily through its sales force.
- Advisor and Portfolio Solutions offer technology-enabled and research-driven solutions including portfolio construction, asset allocation, practice management services and digital tools to help financial advisors address technology challenges and grow and scale their businesses.

Diversified Portfolio of Assets: Positions WT well to capture flows in various asset classes and lower asset class concentration risk



Growing ETP Industry: Opportunity to Increase Assets in a Secularly Growing Environment



Source: ETFGI LLP / WisdomTree 10K

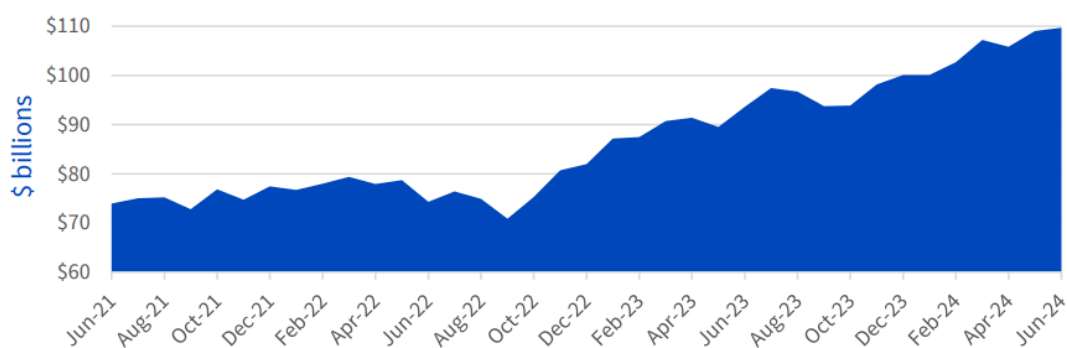
WisdomTree: Reasonable AUM but small relative to larger competitors. Ample room to grow and take market share.

GLOBAL RANKING		
Rank	ETP Sponsor	AUM (\$ in billions)
1	iShares	3,552
2	Vanguard	2,505
3	State Street	1,303
4	Invesco	543
5	Charles Schwab	319
6	Nomura	230
7	Amundi	229
8	Xtrackers	207
9	First Trust	155
10	JPMorgan	153
11	Dimensional	118
12	Nikko AM	106
13	Daiwa	101
14	WisdomTree	100
15	UBS	97

Source: Morningstar / WisdomTree 10K (Dec 31, 2023)

Robust inflows and AUM growth drive revenue and profit growth

WT's AUM grew at a 14% CAGR over the past three years



WT has a Strong Net Inflow Profile (\$ millions)



Source: ir.wisdomtree.com, data as of 6/30/2024

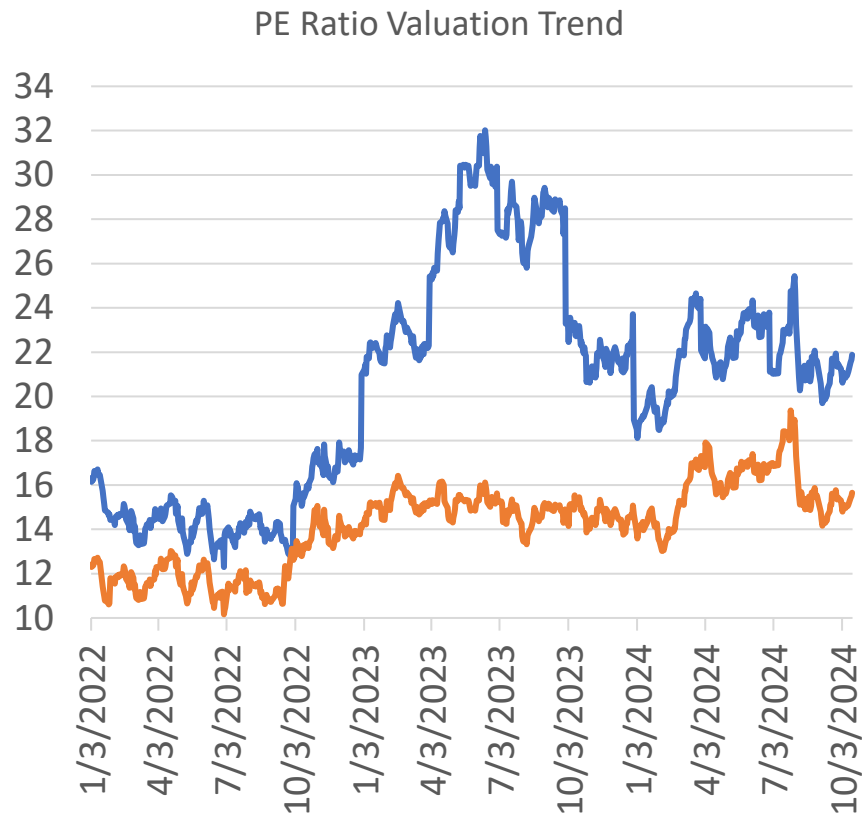
AUM & Flow Update (September 30, 2024), Record AUM

- As of 9/30/24 WT's AUM achieved record AUM of \$112.6bn from \$100.1bn at the beginning of the year with a blended total average fee rate of 37bps.
- Inflows in U.S. equity products, cryptocurrencies, and bullish tactical positioning in oil and copper were offset by institutional reallocations out of cash positions (USFR), outflows in Japan Hedged Equity (DXJ) and profit taking in precious metals

As of September 30, 2024	AUM Rollforward (\$ in millions)		
	MTD	QTD	YTD
Beginning of Period Total AUM	\$111,192	\$109,686	\$100,124
Total Net Flows			
U.S. Equity	\$43	\$328	\$1,085
International Dev. Mkt Equity	(\$478)	(\$1,391)	\$1,462
Emerging Market Equity	(\$153)	(\$20)	\$254
Fixed Income	(\$372)	(\$897)	(\$674)
Commodity & Currency	\$51	(\$741)	(\$2,700)
Alternatives	\$6	\$54	\$72
Cryptocurrency	\$29	\$201	\$434
Leveraged & Inverse	(\$22)	\$71	\$2
Total Net Flows	(\$896)	(\$2,395)	(\$65)
Market Move	\$2,281	\$5,286	\$12,518
Current Total AUM	\$112,577	\$112,577	\$112,577
Average Total AUM	\$110,806	\$110,369	\$106,973
Blended Total Average Fee Rate		37 bps	37 bps

Source: <https://ir.wisdomtree.com/>

Reasonable PE multiple: Trailing 21.9x, Forward 15.6x



Key Financials: Robust top line and bottom-line growth, Healthy profitability

In Millions of USD 12 Months Ending	FY 2020 12/31/2020	FY 2021 12/31/2021	FY 2022 12/31/2022	FY 2023 12/31/2023	Current/LTM 06/30/2024	FY 2024 Est 12/31/2024	FY 2025 Est 12/31/2025
Market Capitalization	795.6	888.1	798.5	1,041.8	1,559.6		
Book Value of Equity	266.3	269.4	305.6	409.1	445.6		
Total Deposits	—	—	—	—			
Total Loans	—	—	—	—			
Total Assets	896.7	1,037.9	1,033.8	944.1	964.1		
Net Revenue, Adj	241.0	294.0	304.7	353.1	386.1	422.9	461.9
<i>Growth %, YoY</i>	-7.5	22.0	3.6	15.9	17.5	19.7	9.2
Prof Bef Prov, Adj	-72.1	77.7	63.4	91.6	119.4		
<i>Margin %</i>	-29.9	26.4	20.8	25.9	30.9		
Operating Income, Adj	-72.1	77.7	63.4	91.6	119.4	141.7	153.0
<i>Margin %</i>	-29.9	26.4	20.8	25.9	30.9	33.5	33.1
Net Income, Adj	39.6	61.7	22.9	-6.8	81.4	98.5	107.1
<i>Margin %</i>	16.4	21.0	7.5	-1.9	21.1	23.3	23.2
EPS, Adj	0.27	0.38	0.14	-0.05	0.47	0.62	0.69
<i>Growth %, YoY</i>	21.3	43.7	-64.7	—	88.1		11.0

- LTM Revenue of \$386mn with 30.9% Operating Income margin and 21.1% Net Income margin (\$1.56 bn market cap)
- FY 2024 Rev's forecast to grow by 19.7% followed by 9.2% growth in FY 2025
- FY2024 Net Income forecast at \$98.5m (23.3% margin) and FY2025 Net Income est. at \$107.1m w/ EPS growing to \$0.69 for FY 2025 vs. LTM EPS of \$0.47
- Total debt of \$520.85mn (3 converts). The stock pays a dividend of 3c/Q (1.17% yield)
- The stock has an average Bloomberg consensus price target of \$12.38 (~+20% vs \$10.27 stock price, Range: \$9.75-\$15, 8 data points: 5 buys/2 holds/1 sell).

WisdomTree Convert Complex

Issue Date	Size (\$mn)	Cpn (%)	Maturity Date	Yrs to Mat.	Yrs of Hard Call	Cvt Px	Parity	Stk Px Ref (\$)	CV Ratio	Strike Px	Yld to Mat (%)	Current Yield (%)	Prem. (%)	PC Stx Px % Apprec.	PC Date
6/9/2021	150	3.250	6/15/2026	1.7	(1.3)	109.49	93.03	10.27	90.5797	11.04	(2.68)	2.97	17.7	40%	6/20/23
2/10/2023	26	5.750	8/15/2028	3.8	0.8	126.66	107.70	10.27	104.8658	9.54	(1.1)	4.5	17.6	21%	8/20/25
8/9/2024	345	3.250	8/15/2029	4.8	1.8	104.81	86.88	10.27	84.5934	11.82	2.19	3.10	20.6	50%	8/20/26

Convert Trades

The 5.75% convert due 2028 is a stub of ~26mn face after the 8/16/24 repurchase so while it carries a good yield and low premium, we are not considering it given the small size.

Between the two remaining converts i.e. the old 3.25% due 2026 and the recently issued 3.25% due 2029 we prefer to extend duration via the newer bonds. The shorter dated converts will leak premium through its 1.7 year maturity so we recommend outright swap out of it into the newer bonds.

The 3.25% due 2029 is an attractive balanced convert to gain exposure to a reasonably priced stock with secular growth potential and a strong balance sheet.

- The bonds are very well balanced and trade close to par (104.81)
- Attractive current income of 3.1% with a low 20.6% premium and ~74 delta
- 1.8 years of hard call protection followed by a provisional call which is 50% higher than the current stock price
- Good size of \$345mn leading to increased liquidity

IMPORTANT DISCLOSURES

©2024 GSR Research, LLC. GSR Research (GSR) is not a registered investment advisor. The content of this publication is intended for informational purposes only. It should not be considered as legal, tax, or investment advice. The mention of any specific security, index, derivative, or other instrument in the newsletter does not constitute a recommendation to buy, sell, or hold that or any other security, nor does it constitute an opinion on the suitability of any security, index, or derivative. GSR Research hereby expressly disclaims any and all representations and warranties that: (a) the content of its publications is correct, accurate, complete, or reliable; (b) any of its publications will be available at any particular time or place, or in any particular medium; and (c) that any omission or error in any of its publications will be corrected. GSR Research's publications are published and distributed in accordance with applicable United States and foreign copyright and other laws. Without the prior written consent of GSR Research, no person or entity, directly or indirectly, may copy, reproduce, recompile, decompile, disassemble, reverse engineer, distribute, publish, display, perform, modify, upload to create derivative works from, transmit, or in any way exploit all or any part of GSR Research's website, its publications, or any other material belonging to GSR Research. At any given time, GSR Research's principals may or may not have a financial interest in any or all of the securities and instruments discussed herein.