

WisdomTree Prime: State of the Union

By Will Peck

From the start, our vision with WisdomTree Prime has been to build a personal finance app that merges saving, spending, and investing, bringing tokenization and blockchain-enabled finance to the center of a user's financial life. In July 2023, WisdomTree Prime went live in app stores for customers in 21 states. The app provided a curated investing and trading experience to our early customers in a blockchain-native environment. So, a good start, but we knew we had more work to do across multiple dimensions to bring WisdomTree Prime to our ultimate vision and to make it available to more people in the U.S.

Since that announcement, we have made great progress along those lines. Below are some key updates on where WisdomTree Prime is today:

- WisdomTree Prime is available in 41 states representing 75% of the U.S. population.
- WisdomTree received a trust company charter by the New York State Department of Financial Services. The trust company charter is the most distinguished authorization in the digital assets landscape, and, through this new entity, we will provide products to customers as part of the WisdomTree Prime ecosystem.
- Digital assets – available for 24/7/365 trading and near-instant settlement¹:
 - o WisdomTree Gold Token, a token representing title to physical gold
 - o Bitcoin
 - o Ether
- Digital funds - tokenized SEC registered mutual funds⁺ – representing:
 - o Equities
 - o Fixed Income
 - o Asset allocation funds, including strategies based on our collaboration with Professor Jeremy Siegel*
 - o Government money market fund
- Full money movement capabilities, with the ability to deposit and withdraw via both initiated and received ACH transactions, enabled via Plaid. Since launch, we now offer higher deposit limits (for example, up to \$10,000 per day for initiated deposits as compared to \$4,000 per day) and instant deposit.²
- We launched the WisdomTree Prime Visa Debit Card, which allows users to spend using their available WisdomTree Prime balance wherever Visa® is accepted. The card is available both digitally and physically for users through WisdomTree Prime. Initially, a customer's available spend balance will be based on their WisdomTree Dollar Token holdings. Over time, we

¹ Near-instant settlement means that as soon as a user's trade is confirmed it is also settled. For example, when the WisdomTree Gold Token is purchased, the user will immediately have the WisdomTree Gold Token in their account upon trade confirmation (as opposed to a delayed settlement process).

² [What are the limits on depositing funds? – WisdomTree \(wisdomtreeprime.com\)](https://www.wisdomtreeprime.com/what-are-the-limits-on-depositing-funds/)

anticipate making additional digital assets and digital funds available to use for spending with the debit card.

We're proud of the progress we are making. A lot of people talk about bringing blockchain to daily financial services – we believe we are actually doing it, providing tangible use cases for this technology. But most importantly, we think this has the potential to improve our customers' financial lives, and we're looking forward to hearing from you as you use the app. Please send us any ideas or feedback to feedback@wisdomtreeprime.com, and you can always reach us for support in the app or at support@wisdomtreeprime.com.

Download WisdomTree Prime here: <http://app.wisdomtreeprime.com/owuo/lv7shqk9>

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 are not endorsed, indemnified or guaranteed by any regulatory agency.

For informational purposes only. Not intended as investment advice, a solicitation or offer to buy or sell any security, financial product, digital asset, commodity, or service. Investing involves risk, including loss of principal.

Digital assets (e.g., bitcoin and ether) are considered to be highly speculative, involve a high degree of risk and have the potential for loss of the entire investment. Digital assets are subject to a number of risks, including price volatility. Transactions in digital assets may be irreversible, and accordingly, losses due to fraudulent or accidental transactions may not be recoverable. Legislative and regulatory changes or actions at the state, federal, or international level may adversely affect the use, transfer, exchange and value of virtual currency.

The WisdomTree Gold Token is a digital token recorded on the blockchain representing electronic document of title to physical gold. The price of gold does fluctuate and may be affected by numerous factors including supply and demand, the global financial markets and other political, financial, or economic events, which may negatively impact gold prices and the value of a WisdomTree Gold Token.

A blockchain is an open, distributed ledger that digitally records transactions in a verifiable and immutable (i.e., permanent) way using cryptography. A distributed ledger is a database in which data is stored in a decentralized manner. Cryptography is a method of storing and transmitting data in a particular form so that only those for whom it is intended can read and process it. A blockchain stores transaction data in "blocks" that are linked together to form a "chain", and hence the name blockchain. Blockchain technology is a relatively new and untested technology, with little regulation. Blockchain systems could be vulnerable to fraud, particularly if a significant

minority of participants colluded to defraud the rest. Potential risks also include vulnerability to theft, or inaccessibility, and future regulatory developments could affect its viability.

References to “save” generally refers to a user’s ability to select one or more highly liquid, relatively low risk cash management solutions and references to “spend” generally refers to a user’s ability to designate one or more digital asset(s) and/or other assets to be sold, or to sell one or more digital asset(s) with near instant settlement, to fund a debit card purchase. Spending, paying bills and making purchases require actions to be taken in the discretion of the user which require user actions outside of the domain or functionality of the app and which rely on third parties, including third parties for which the user will need to have a separate relationship.

The WisdomTree Prime digital wallet and digital asset services are offered through WisdomTree Digital Movement, Inc. (NMLS ID: 2372500) (“WDM”) and WisdomTree Digital Trust Company, LLC, in select U.S. jurisdictions and may be limited where prohibited by law (each entity, as applicable, “WisdomTree Digital”). 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. WisdomTree Digital is not a bank and does not itself take deposits. Demand deposit accounts made available to you as a WisdomTree Prime user are provided by Stride Bank N.A., Member FDIC. Digital assets held in WisdomTree Digital accounts are not legal tender and are not covered by FDIC protections. The WisdomTree Prime Visa Debit card is issued by Stride Bank N.A., Member FDIC, pursuant to a license from Visa USA Inc.

WisdomTree Digital Funds – Important Information:

Carefully consider the investment objectives, risks, charges, and expenses of the Digital Funds before investing. To obtain a prospectus containing this and other important information, please visit <https://www.wisdomtree.com/investments>. Read the prospectus carefully before investing.

You could lose money by investing in the Money Market Fund. Although the Fund seeks to preserve the value of your investment at \$1.00 per share, it cannot guarantee it will do so. An investment in the Fund is not a bank account and is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. The Fund’s adviser is not required to reimburse the Fund for losses, and you should not expect that the adviser will provide financial support to the Fund at any time, including during periods of market stress.

There are risks associated with investing, including possible loss of principal. Blockchain technology is a relatively new and untested technology, with little regulation. Potential risks include vulnerability to fraud, theft, or inaccessibility, and future regulatory developments effect its viability. Funds focusing investments on certain sectors increases its vulnerability to any single economic or regulatory development, which may result in greater share price volatility. U.S. Treasury obligations may provide relatively lower returns than those of other securities. Changes

to the financial condition or credit rating of the U.S. government may cause the value to decline. TIPS can provide a hedge against inflation, as the inflation adjustment feature helps preserve the purchasing power of the investment. Because of this inflation adjustment feature, inflation protected bonds typically have lower yields than conventional fixed rate bonds and will likely decline in price during periods of deflation, which could result in losses. Securities with floating rates can be less sensitive to interest rate changes than securities with fixed interest rates, but may decline in value and negatively impact a Fund's NAV, particularly if changes in prevailing interest rates are more frequent or sudden than the rate changes for floating rates notes, which can only occur periodically. Fixed income securities are subject to interest rate, credit, inflation, and reinvestment risks. Generally, as interest rates rise, the value of fixed-income securities falls. Cybersecurity attacks affecting a Fund's third-party service providers, App, blockchain network, or the issuers of securities in which the Fund invests may subject the Fund to many of the same risks associated with direct cybersecurity breaches.

[†] Although WisdomTree Transfers, Inc., the Fund's transfer agent, will maintain the official record of share ownership in book-entry form, the ownership of a Digital Fund's shares will also be recorded – or digitized – on the Stellar other blockchains. In order to facilitate the use of blockchain technology, a potential shareholder must have a blockchain wallet. WisdomTree Digital Movement, Inc. ("WisdomTree Digital", as further described below) provides a hosted Stellar-based wallet through the mobile application, WisdomTree Prime. Through the app, Digital Fund investors may purchase, hold, sell or transfer their shares. WisdomTree Securities, Inc., an affiliate of WisdomTree Transfers and WisdomTree Digital, facilitates the ability for Digital Fund investors on an "application-way" basis to purchase or sell Digital Fund shares through the App. Brokerage commissions apply.

* The WisdomTree Siegel Digital Funds leverage insights from Professor Jeremy J. Siegel, Senior Economist to WisdomTree and Emeritus Professor of Finance at The Wharton School of the University of Pennsylvania. **Professor Siegel does not have any day-to-day responsibility with respect to the WisdomTree Siegel Digital Funds. Professor Siegel receives compensation from WisdomTree, Inc. and/or its affiliates based on a structured fee arrangement pursuant to a consulting and licensing relationship.**

The principal underwriter of the WisdomTree Digital Funds is Foreside Fund Services, LLC and is not the principal underwrite for any other products mentioned in this blog. Foreside is not affiliated with WisdomTree, WisdomTree Securities, Inc., WisdomTree Prime, WisdomTree Digital Trust nor any other entity or products mentioned in the blog. Transactions in Digital Funds are facilitated by WisdomTree Securities, Inc.