

Price is not enough: the hidden driver of crypto returns

Published 27 May 2026

Dovile Silenskyte

Director, Digital Assets Research

Key Takeaways

- Crypto markets are increasingly evolving beyond a price-only framework. Crypto has transitioned to a total return model: price + staking yield – fees. Ignoring yield may affect long-term total return outcomes.
- Yield is now a primary return driver. Staking income compounds and materially shapes outcomes over time, particularly in high-yield networks like Solana.
- Implementation drives performance dispersion. Two investors with identical asset exposure can achieve different returns depending on staking access, fee structures, and execution quality. Alpha has shifted from selection to implementation.
- Native vs liquid staking is a structural trade-off. Higher yield comes with complexity and illiquidity (native staking), while flexibility and capital efficiency come at a cost (liquid staking). The optimal choice is network-dependent, not universal.
- Related Products WisdomTree Physical Solana, WisdomTree Physical Lido Staked Ether, WisdomTree Physical Ethereum Find out more

Crypto investors may be mispricing returns. Price is no longer the only driver. Yield is becoming increasingly important. Staking now sits closer to the core of performance, and overlooking it may result in lower total returns over time.

The total return framework

Crypto is maturing. Returns are starting to resemble traditional finance where income matters alongside price. The market is shifting from a price-only lens to a total return framework.

This is not new. It is how all major asset classes already operate.

- Equities: price + dividends.
- Bonds: price + coupon.
- Crypto: price + staking yield.

For crypto, the total return equation is simple: price return + staking yield – fees.

The implications are immediate:

- Networks such as Ethereum and Solana reward participants with staking yield for securing the system.
- Institutional performance frameworks focus on total return, not just price appreciation.
- Two investors holding the same crypto asset can end up with very different returns depending on whether they access staking and how they choose to do that.

Crypto is catching up to the total return framework, but adoption remains uneven, and this creates opportunity.

The real decision is how you access staking yield

Staking is not a binary choice. The method you use has a direct impact on returns, risk and flexibility.

Native staking involves participating directly in the network, typically through a wallet or validator. This approach tends to deliver higher yields because there is less fee leakage. It also provides direct exposure to the network's economics.

However, it comes with trade-offs. It requires technical setup, ongoing monitoring, and careful validator selection. In some cases, assets are locked up for a period, reducing flexibility.

Liquid staking, by contrast, involves holding a token that represents staked assets, such as Lido Staked Ether (stETH). This approach keeps assets liquid and easier to use, particularly within decentralised finance (DeFi).

The trade-off is cost and risk. Fees reduce yield and smart contract risks are introduced. There can also be small price differences between the token and the underlying asset.

Figure 1: Yield vs flexibility is the core trade-off in staking design

Source: WisdomTree. April 2026.

The choice is not simply about maximising yield. It is about balancing yield with usability.

Native staking generally offers higher returns but lower flexibility. Liquid staking offers lower operational friction and higher flexibility, but at the cost of slightly reduced yield.

This distinction becomes critical when comparing different networks.

Solana: yield capture dominates

Solana tilts the balance towards native staking.

Base yields are relatively high, often around 6% per annum¹, which can make the fee drag more meaningful. Unstaking is fast, so the liquidity penalty is limited. The validator market is also competitive, helping keep costs efficient.

For investors seeking Solana exposure, it is largely about capturing native staking yield as efficiently as possible.

Ethereum: flexibility dominates

Ethereum leads to a different conclusion.

Running a validator requires 32 Ether2, along with technical infrastructure and ongoing maintenance. There are also risks, such as slashing for incorrect performance, and illiquidity, as it takes time to unstake Ether.

At the same time, Ethereum is at the centre of decentralised finance. Capital is actively used across lending, derivatives and structured strategies. Locking assets in native staking can create a meaningful opportunity cost.

Liquid staking as the default

Liquid staking addresses these constraints by issuing a token that represents staked Ether.

This structure allows investors to maintain liquidity, redeploy capital across DeFi and avoid managing infrastructure. It simplifies access while preserving exposure.

There are costs. Fees reduce yield, smart contract risk is introduced, and tokens can trade slightly away from the value of Ether. However, these drawbacks are outweighed by flexibility and capital efficiency.

Figure 2: Each Lido Staked Ether mirrors Ether price performance, while staking rewards are reflected through an increase in token balance



Source: Artemis Terminal, WisdomTree. 09 April 2026. **You cannot invest directly in an index. Historical performance is not an indication of future performance, and any investment may go down in value.**

In practice, liquid staking has become the widely adopted approach for Ethereum. The yield gap versus native staking is relatively small, while the usability advantage is significant. Adoption reflects this reality, with Lido accounting for 23% of total staked Ether³.

Execution is the practical constraint

Native staking looks attractive in theory. In practice, it introduces friction.

Investors must manage the technical setup, select validators, monitor performance and handle operational overhead. For most investors, particularly those from traditional finance, this is not scalable.

Staked exchange-traded products (ETPs) provide an alternative route. They capture staking yield on behalf of investors while removing operational complexity. Investors gain exposure to crypto total returns without needing to manage the staking process themselves. The key is selecting the ETP designed to deliver their preferred balance of yield, liquidity and operational simplicity:

- For Solana exposure, investors may evaluate which ETP offers the optimal combination of high staking rewards and a low management expense ratio.
- For Ethereum exposure, investors may assess which ETP offers the highest proportion of net asset value staked, without introducing unnecessary liquidity risk.

Bottom line

Yield is becoming an increasingly important component of crypto returns, and it compounds over time.

Implementation now matters as much as allocation. The way investors access staking can materially change outcomes.

Staking involves a range of risks that may affect returns and capital values. Crypto assets are volatile and investors may lose part or all of their investment. Staking rewards are not guaranteed and may vary over time depending on network conditions and validator performance. Native staking may expose investors to operational risks, including validator failure, slashing penalties and temporary illiquidity during unstaking periods. Liquid staking introduces additional risks, including smart contract risk, counterparty risk and the possibility that liquid staking tokens may trade below the value of the underlying crypto asset. Regulatory treatment of crypto assets and staking continues to evolve and may affect the availability, liquidity and taxation of digital asset investments.

1 Source: Staking Rewards. 20 April 2026.

2 Source: Ethereum. 20 April 2026.

3 Source: Lido Institutional. March 2026.

Important Risks Related to this Article

Important Information

Marketing communications issued in the European Economic Area (“EEA”): This document has been issued and approved by WisdomTree Ireland Limited, which is authorised and regulated by the Central Bank of Ireland.

Marketing communications issued in jurisdictions outside of the EEA: This document has been issued and approved by WisdomTree UK Limited, which is authorised and regulated by the United Kingdom Financial Conduct Authority.

WisdomTree Ireland Limited and WisdomTree UK Limited are each referred to as “WisdomTree” (as applicable). Our Conflicts of Interest Policy and Inventory are available on request.

For professional clients only. The information contained in this document is for your general information only and is neither an offer for sale nor a solicitation of an offer to buy securities or shares. This document should not be used as the basis for any investment decision. Investments may go up or down in value and you may lose some or all of the amount invested. Past performance is not necessarily a guide to future performance. Any decision to invest should be based on the information contained in the appropriate prospectus and after seeking independent investment, tax and legal advice.

The application of regulations and tax laws can often lead to a number of different interpretations. Any views or opinions expressed in this communication represent the views of WisdomTree and should not be construed as regulatory, tax or legal advice. WisdomTree makes no warranty or representation as to the accuracy of any of the views or opinions expressed in this communication. Any decision to invest should be based on the information contained in the appropriate prospectus and after seeking independent investment, tax and legal advice.

This document is not, and under no circumstances is to be construed as, an advertisement or any other step in furtherance of a public offering of shares or securities in the United States or any province or territory thereof. Neither this document nor any copy hereof should be taken, transmitted or distributed (directly or indirectly) into the United States.

Although WisdomTree endeavours to ensure the accuracy of the content in this document, WisdomTree does not warrant or guarantee its accuracy or correctness. Where WisdomTree has expressed its own opinions related to product or market activity, these views may change. Neither WisdomTree, nor any affiliate, nor any of their respective officers, directors, partners, or employees accepts any liability whatsoever for any direct or consequential loss arising from any use of this document or its contents.