UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form 10-Q

(Mark One)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended September 30, 2022

or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from ________ to ________.

Commission File Number 001-10932

WisdomTree Investments, Inc.
(Exact name of registrant as specified in its charter)

Delaware	**13-3487784**
(State or other jurisdiction of incorporation or organization)	(IRS Employer Identification No.)
250 West 34th Street **3rd Floor** **New York, New York**	**10119**
(Address of principal executive offices)	(Zip Code)

212-801-2080
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Exchange Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, $0.01 par value	WETF	The NASDAQ Stock Market LLC

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act") during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). ☒ Yes ☐ No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or emerging growth company. See definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
		Emerging growth company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

As of October 24, 2022, there were 146,518,506 shares of the registrant's Common Stock, $0.01 par value per share, outstanding.

WISDOMTREE INVESTMENTS, INC.

Form 10-Q
For the Quarterly Period Ended September 30, 2022

TABLE OF CONTENTS

Unless otherwise indicated, references to “the Company,” “we,” “us,” “our” and “WisdomTree” mean WisdomTree Investments, Inc. and its subsidiaries.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q contains forward-looking statements that are based on our management's beliefs and assumptions and on information currently available to our management. Although we believe that the expectations reflected in these forward-looking statements are reasonable, these statements relate to future events or our future financial performance, and involve known and unknown risks, uncertainties and other factors that may cause our actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievements expressed or implied by these forward-looking statements.

In some cases, you can identify forward-looking statements by terminology such as "may," "will," "should," "expects," "intends," "plans," "anticipates," "believes," "estimates," "predicts," "potential," "continue" or the negative of these terms or other comparable terminology. These statements are only predictions. You should not place undue reliance on forward-looking statements because they involve known and unknown risks, uncertainties and other factors, which are, in some cases, beyond our control and which could materially affect our results. Factors that may cause actual results to differ materially from current expectations include, among other things, those listed in the section entitled "Risk Factors" included in our Annual Report on Form 10-K for the fiscal year ended December 31, 2021, as amended, and Quarterly Report on Form 10-Q for the quarter ended June 30, 2022. If one or more of these or other risks or uncertainties occur, or if our underlying assumptions prove to be incorrect, actual events or results may vary significantly from those implied or projected by the forward-looking statements. No forward-looking statement is a guarantee of future performance. You should read this Report and the documents that we reference in this Report and have filed with the Securities and Exchange Commission, or the SEC, as exhibits to this Report, completely and with the understanding that our actual future results may be materially different from any future results expressed or implied by these forward-looking statements.

In particular, forward-looking statements in this Report may include statements about:

- the ultimate duration of the COVID-19 pandemic, or the war in Ukraine, and their short-term and long-term impact on our business and the global economy;
- anticipated trends, conditions and investor sentiment in the global markets and exchange traded products, or ETPs;
- anticipated levels of inflows into and outflows out of our ETPs;
- our ability to deliver favorable rates of return to investors;
- competition in our business;
- whether we will experience future growth;
- our ability to develop new products and services and their success;
- our ability to maintain current vendors or find new vendors to provide services to us at favorable costs;
- our ability to successfully implement our strategy relating to digital assets and blockchain-enabled financial services, including WisdomTree Prime™, and achieve its objectives;
- our ability to successfully operate and expand our business in non-U.S. markets; and
- the effect of laws and regulations that apply to our business.

The forward-looking statements in this Report represent our views as of the date of this Report. We anticipate that subsequent events and developments may cause our views to change. However, while we may elect to update these forward-looking statements at some point in the future, we have no current intention of doing so except to the extent required by applicable law. Therefore, these forward-looking statements do not represent our views as of any date other than the date of this Report.

Table of Contents

PART I: FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

WisdomTree Investments, Inc. and Subsidiaries
Consolidated Balance Sheets
(In Thousands, Except Per Share Amounts)

	September 30, 2022	December 31, 2021
	(unaudited)	
Assets		
Current assets:		
Cash and cash equivalents	$ 132,700	$ 140,709
Securities owned, at fair value (including $12,387 and $18,526 invested in WisdomTree ETFs at September 30, 2022 and December 31, 2021, respectively)	125,110	127,166
Accounts receivable (including $21,222 and $25,628 due from related parties at September 30, 2022 and December 31, 2021, respectively)	25,306	31,864
Prepaid expenses	6,035	3,952
Other current assets	332	276
Total current assets	289,483	303,967
Fixed assets, net	575	557
Indemnification receivable (Note 19)	1,220	21,925
Securities held-to-maturity	267	308
Deferred tax assets, net	6,947	8,881
Investments (Note 7)	26,339	14,238
Right of use assets—operating leases (Note 12)	1,720	520
Goodwill (Note 21)	85,856	85,856
Intangible assets (Note 21)	603,204	601,247
Other noncurrent assets	766	361
Total assets	$ 1,016,377	$ 1,037,860
Liabilities and stockholders' equity		
Liabilities		
Current liabilities:		
Convertible notes—current (Note 10)	$ 173,760	$ —
Fund management and administration payable	21,466	20,661
Compensation and benefits payable	26,455	32,782
Deferred consideration—gold payments (Note 9)	15,162	16,739
Operating lease liabilities (Note 12)	1,186	209
Income taxes payable	2,094	3,979
Accounts payable and other liabilities	13,122	9,297
Total current liabilities	253,245	83,667
Convertible notes—long term (Note 10)	146,805	318,624
Deferred consideration—gold payments (Note 9)	149,595	211,323
Operating lease liabilities (Note 12)	554	328
Other noncurrent liabilities (Note 19)	1,220	21,925
Total liabilities	551,419	635,867
Preferred stock—Series A Non-Voting Convertible, par value $0.01; 14.750 shares authorized, issued and outstanding; redemption value of $73,594 and $90,741 at September 30, 2022 and December 31, 2021, respectively) (Note 11)	132,569	132,569
Contingencies (Note 13)		
Stockholders' equity		
Preferred stock, par value $0.01; 2,000 shares authorized:	—	—
Common stock, par value $0.01; 400,000 shares authorized; issued and outstanding: 146,520 and 145,107 at September 30, 2022 and December 31, 2021, respectively	1,465	1,451
Additional paid-in capital	289,284	289,736
Accumulated other comprehensive (loss) income	(5,209)	682
Retained earnings/(accumulated deficit)	46,849	(22,445)
Total stockholders' equity	332,389	269,424
Total liabilities and stockholders' equity	$ 1,016,377	$ 1,037,860

The accompanying notes are an integral part of these consolidated financial statements

WisdomTree Investments, Inc. and Subsidiaries

Consolidated Statements of Operations
(In Thousands, Except Per Share Amounts)
(Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	**2021**	**2022**	**2021**
Operating Revenues:				
Advisory fees	$ 70,616	$ 76,400	$ 222,719	$ 220,611
Other income	1,798	1,712	5,316	4,532
Total revenues	72,414	78,112	228,035	225,143
Operating Expenses:				
Compensation and benefits	23,714	22,027	73,066	64,985
Fund management and administration	16,285	15,181	47,855	43,495
Marketing and advertising	3,145	2,925	11,062	9,525
Sales and business development	2,724	2,935	8,464	7,239
Contractual gold payments (Note 9)	4,105	4,250	13,001	12,834
Professional fees	2,367	1,583	11,134	5,517
Occupancy, communications and equipment	986	1,163	2,788	3,904
Depreciation and amortization	58	185	158	693
Third-party distribution fees	1,833	1,873	5,863	5,346
Other	2,324	1,787	6,278	5,110
Total operating expenses	57,541	53,909	179,669	158,648
Operating income	14,873	24,203	48,366	66,495
Other Income/(Expenses):				
Interest expense	(3,734)	(3,729)	(11,199)	(8,592)
Gain on revaluation of deferred consideration—gold payments (Note 9)	77,895	1,737	63,188	5,066
Interest income	811	689	2,375	1,145
Impairments (Notes 8, 12 and 23)	—	(15,853)	—	(16,156)
Other losses, net	(5,289)	(714)	(34,470)	(6,558)
Income before income taxes	84,556	6,333	68,260	41,400
Income tax expense/(benefit)	3,327	500	(10,713)	2,790
Net income	$ 81,229	$ 5,833	$ 78,973	$ 38,610
Earnings per share—basic	$ 0.50	$ 0.04	$ 0.49	$ 0.24
Earnings per share—diluted	$ 0.50	$ 0.04	$ 0.49	$ 0.24
Weighted-average common shares—basic	143,120	142,070	142,984	144,445
Weighted-average common shares—diluted	158,953	159,213	158,741	161,706
Cash dividends declared per common share	$ 0.03	$ 0.03	$ 0.09	$ 0.09

The accompanying notes are an integral part of these consolidated financial statements

WisdomTree Investments, Inc. and Subsidiaries

Consolidated Statements of Comprehensive Income
(In Thousands)
(Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	**2021**	**2022**	**2021**
Net income	$ 81,229	$ 5,833	$ 78,973	$ 38,610
Other comprehensive loss				
Foreign currency translation adjustment, net of income taxes	(3,684)	(302)	(5,891)	(249)
Other comprehensive loss	(3,684)	(302)	(5,891)	(249)
Comprehensive income	$ 77,545	$ 5,531	$ 73,082	$ 38,361

The accompanying notes are an integral part of these consolidated financial statements

WisdomTree Investments, Inc. and Subsidiaries

Consolidated Statements of Changes in Stockholders' Equity
(In Thousands)
(Unaudited)

	For the Three Months Ended September 30, 2022					
	Common Stock		Additional Paid-In Capital	Accumulated Other Comprehensive Income	(Accumulated Deficit)/Retained Earnings	Total
	Shares Issued	Par Value				
Balance—July 1, 2022	146,511	$ 1,465	$ 286,854	$ (1,525)	$ (29,538)	$ 257,256
Restricted stock issued and vesting of restricted stock units, net	13	—	—	—	—	—
Shares repurchased	(4)	—	(24)	—	—	(24)
Stock-based compensation	—	—	2,454	—	—	2,454
Other comprehensive loss	—	—	—	(3,684)	—	(3,684)
Dividends	—	—	—	—	(4,842)	(4,842)
Net income	—	—	—	—	81,229	81,229
Balance—September 30, 2022	146,520	$ 1,465	$ 289,284	$ (5,209)	$ 46,849	$ 332,389

	For the Three Months Ended September 30, 2021					
	Common Stock		Additional Paid-In Capital	Accumulated Other Comprehensive Income	Accumulated Deficit	Total
	Shares Issued	Par Value				
Balance—July 1, 2021	145,114	$ 1,451	$ 285,002	$ 1,155	$ (29,871)	$ 257,737
Restricted stock issued and vesting of restricted stock units, net	36	—	—	—	—	—
Stock-based compensation	—	—	2,397	—	—	2,397
Other comprehensive loss	—	—	—	(302)	—	(302)
Dividends	—	—	—	—	(4,797)	(4,797)
Net income	—	—	—	—	5,833	5,833
Balance—September 30, 2021	145,150	$ 1,451	$ 287,399	$ 853	$ (28,835)	$ 260,868

The accompanying notes are an integral part of these consolidated financial statements

Table of Contents

WisdomTree Investments, Inc. and Subsidiaries

Consolidated Statements of Changes in Stockholders' Equity (Continued)
(In Thousands)
(Unaudited)

	For the Nine Months Ended September 30, 2022					
	Common Stock		Additional Paid-In Capital	Accumulated Other Comprehensive Income	(Accumulated Deficit)/Retained Earnings	Total
	Shares Issued	Par Value				
Balance—January 1, 2022	145,107	$ 1,451	$ 289,736	$ 682	$ (22,445)	$ 269,424
Restricted stock issued and vesting of restricted stock units, net	2,006	20	(20)	—	—	—
Shares repurchased	(593)	(6)	(3,412)	—	—	(3,418)
Stock-based compensation	—	—	7,822	—	—	7,822
Other comprehensive loss	—	—	—	(5,891)	—	(5,891)
Dividends	—	—	(4,842)	—	(9,679)	(14,521)
Net income	—	—	—	—	78,973	78,973
Balance—September 30, 2022	146,520	$ 1,465	$ 289,284	$ (5,209)	$ 46,849	$ 332,389

	For the Nine Months Ended September 30, 2021					
	Common Stock		Additional Paid-In Capital	Accumulated Other Comprehensive Income	Accumulated Deficit	Total
	Shares Issued	Par Value				
Balance—January 1, 2021	148,716	$ 1,487	$ 317,075	$ 1,102	$ (53,399)	$ 266,265
Reclassification of equity component related to convertible notes, net deferred taxes of $1,022, upon the implementation of Accounting Standards Update 2020-06 (Note 10)	—	—	(3,682)	—	616	(3,066)
Balance—January 1, 2021 (as adjusted)	148,716	$ 1,487	$ 313,393	$ 1,102	$ (52,783)	$ 263,199
Restricted stock issued and vesting of restricted stock units, net	1,412	13	(13)	—	—	—
Shares repurchased	(5,121)	(51)	(34,455)	—	—	(34,506)
Exercise of stock options, net	143	2	813	—	—	815
Stock-based compensation	—	—	7,661	—	—	7,661
Other comprehensive loss	—	—	—	(249)	—	(249)
Dividends	—	—	—	—	(14,662)	(14,662)
Net income	—	—	—	—	38,610	38,610
Balance—September 30, 2021	145,150	$ 1,451	$ 287,399	$ 853	$ (28,835)	$ 260,868

The accompanying notes are an integral part of these consolidated financial statements

WisdomTree Investments, Inc. and Subsidiaries

Consolidated Statements of Cash Flows
(In Thousands)
(Unaudited)

	Nine Months Ended September 30, 2022	Nine Months Ended September 30, 2021
Cash flows from operating activities:		
Net income	$ 78,973	$ 38,610
Adjustments to reconcile net income to net cash provided by operating activities:		
Gain on revaluation of deferred consideration—gold payments	(63,188)	(5,066)
Advisory and license fees paid in gold, other precious metals and cryptocurrency	(44,886)	(57,617)
Losses on securities owned, at fair value	15,633	2,099
Contractual gold payments	13,001	12,834
Stock-based compensation	7,822	7,661
Deferred income taxes	2,233	1,515
Amortization of issuance costs—convertible notes	1,941	1,542
Amortization of right of use asset	648	1,860
Depreciation and amortization	158	693
Impairments	—	16,156
Gain on sale—Canadian ETF business, including remeasurement of contingent consideration	—	(787)
Other	(223)	(369)
Changes in operating assets and liabilities:		
Accounts receivable	4,076	(1,273)
Prepaid expenses	(2,356)	(1,888)
Gold and other precious metals	33,598	44,006
Other assets	(503)	(315)
Intangibles—software development	(1,958)	—
Fund management and administration payable	1,369	2,868
Compensation and benefits payable	(4,990)	1,756
Income taxes payable	(1,822)	(1,050)
Operating lease liabilities	(644)	(15,462)
Accounts payable and other liabilities	4,231	2,336
Net cash provided by operating activities	43,113	50,109
Cash flows from investing activities:		
Purchase of securities owned, at fair value	(41,240)	(97,570)
Purchase of investments	(11,863)	(5,750)
Purchase of fixed assets	(211)	(237)
Proceeds from the sale of securities owned, at fair value	27,650	10,976
Proceeds from held-to-maturity securities maturing or called prior to maturity	38	114
Net cash used in investing activities	(25,626)	(92,467)
Cash flows from financing activities:		
Dividends paid	(14,521)	(14,662)
Shares repurchased	(3,418)	(34,506)
Convertible notes issuance costs	—	(4,297)
Proceeds from the issuance of convertible notes	—	150,000
Proceeds from exercise of stock options	—	815
Net cash (used in)/provided by financing activities	(17,939)	97,350
Decrease in cash flow due to changes in foreign exchange rate	(7,557)	(493)
Net (decrease)/increase in cash and cash equivalents	(8,009)	54,499
Cash and cash equivalents—beginning of year	140,709	73,425
Cash and cash equivalents—end of period	$ 132,700	$ 127,924
Supplemental disclosure of cash flow information:		
Cash paid for income taxes	$ 8,769	$ 7,332
Cash paid for interest	$ 6,156	$ 3,719

NON-CASH ACTIVITIES

On January 1, 2021, the Company reclassified the equity component related to the convertible notes, net of deferred taxes, reducing accumulated deficit by $ 616, increasing the carrying value of the convertible notes by $4,088, reducing additional paid in capital by $ 3,682 and reducing deferred tax liabilities by $ 1,022, upon the implementation of Accounting Standards Update ("ASU") 2020-06, *Debt – Debt with Conversion and Other Options* (Note 10).

The accompanying notes are an integral part of these consolidated financial statements

WisdomTree Investments, Inc. and Subsidiaries

Notes to Consolidated Financial Statements
(In Thousands, Except Share and Per Share Amounts)

1. Organization and Description of Business

WisdomTree Investments, Inc., through its global subsidiaries (collectively, "WisdomTree" or the "Company"), is an exchange-traded product ("ETP") sponsor and asset manager headquartered in New York. WisdomTree offers ETPs covering equity, commodity, fixed income, leveraged and inverse, currency, cryptocurrency and alternative strategies. The Company has the following wholly-owned operating subsidiaries:

- *WisdomTree Asset Management, Inc.* is a New York based investment adviser registered with the SEC, providing investment advisory and other management services to the WisdomTree Trust ("WTT") and WisdomTree exchange-traded funds ("ETFs"). The WisdomTree ETFs are issued in the U.S. by WTT. WTT is a non-consolidated Delaware statutory trust registered with the SEC as anopen-end management investment company. The Company has licensed to WTT the use of certain of its own indexes on an exclusive basis for the WisdomTree ETFs in the U.S.
- *WisdomTree Management Jersey Limited* ("ManJer") is a Jersey based management company providing management services to seven issuers (the "ManJer Issuers") in respect of the ETPs issued and listed by the ManJer Issuers covering commodity, currency, cryptocurrency and leveraged-and-inverse strategies.
- *WisdomTree Multi Asset Management Limited* ("WTMAML") is a Jersey based management company providing management services to WisdomTree Multi Asset Issuer PLC ("WMAI") in respect of the ETPs issued by WMAI. WMAI is a non-consolidated public limited company domiciled in Ireland.
- *WisdomTree Management Limited* ("WML") is an Ireland based management company providing management services to WisdomTree Issuer ICAV ("WTI") in respect of the WisdomTree UCITS ETFs issued by WTI. WTI is a non-consolidated public limited company domiciled in Ireland.
- *WisdomTree UK Limited* ("WTUK") is a U.K. based company registered with the Financial Conduct Authority currently providing distribution and support services to ManJer, WTMAML and WML.
- *WisdomTree Europe Limited* is a U.K. based company which is the legacy distributor of the WMAI ETPs and WisdomTree UCITS ETFs. These services are now provided directly by WTUK. WisdomTree Europe Limited is no longer regulated and does not provide any regulated services.
- *WisdomTree Ireland Limited* is an Ireland based company authorized by the Central Bank of Ireland providing distribution services to ManJer, WTMAML and WML.
- *WisdomTree Digital Commodity Services, LLC* is a New York based company that has been formed to serve as the sponsor of the WisdomTree Bitcoin Trust and WisdomTree Ethereum Trust, each an ETF currently under review with the SEC.
- *WisdomTree Digital Management, Inc.* is a New York based company that has been formed to serve as a SEC-registered investment adviser and will provide investment advisory and other management services to blockchain-enabled mutual funds whose shares are secondarily recorded on a blockchain.
- *WisdomTree Digital Movement, Inc.* is a New York based company that has been formed to operate a money services business registered with the Financial Crimes Enforcement Network ("FinCEN") and is seeking state money transmitter licenses to operate a platform for the purchase, sale and exchange of digital assets, while also providing digital wallet services to facilitate such activity.
- *WisdomTree Securities, Inc.* is a New York based company that has been formed to operate as a limited purpose broker-dealer (i.e., mutual fund retailer) upon registration with the SEC, FINRA and state regulatory authorities.

2. Significant Accounting Policies

Basis of Presentation

These consolidated financial statements have been prepared in conformity with U.S. generally accepted accounting principles ("GAAP") and in the opinion of management reflect all adjustments, consisting of only normal recurring adjustments, necessary for a fair statement of financial condition, results of operations, and cash flows for the periods presented. The consolidated financial statements include the accounts of the Company's wholly-owned subsidiaries. All intercompany accounts and transactions have been eliminated in consolidation.

Consolidation

The Company consolidates entities in which it has a controlling financial interest. The Company determines whether it has a controlling financial interest in an entity by first evaluating whether the entity is a voting interest entity ("VOE") or a variable interest entity ("VIE"). The usual condition for a controlling financial interest in a VOE is ownership of a majority voting interest. If the Company has a majority voting interest in a VOE, the entity is consolidated. The Company has a controlling financial interest in a VIE when the Company has a variable interest that provides it with (i) the power to direct the activities of the VIE that most significantly impact the VIE's economic performance and (ii) the obligation to absorb losses of the VIE or the right to receive benefits from the VIE that could potentially be significant to the VIE.

The Company reassesses its evaluation of whether an entity is a VOE or VIE when certain reconsideration events occur.

Segment and Geographic Information

The Company, through its subsidiaries in the U.S. and Europe, conducts business as a single operating segment as an ETP sponsor and asset manager which is based upon the Company's current organizational and management structure, as well as information used by the chief operating decision maker to allocate resources and other factors.

Foreign Currency Translation

Assets and liabilities of subsidiaries whose functional currency is not the U.S. dollar are translated based on the end of period exchange rates from local currency to U.S. dollars. Results of operations are translated at the average exchange rates in effect during the period. The impact of the foreign currency translation adjustment is included in the Consolidated Statements of Comprehensive Income as a component of other comprehensive loss.

Use of Estimates

The preparation of the Company's consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities as of the balance sheet dates and the reported amounts of revenues and expenses for the periods presented. Actual results could differ materially from those estimates.

Revenue Recognition

The Company earns substantially all of its revenue in the form of advisory fees from its ETPs and recognizes this revenue over time, as the performance obligation is satisfied. Advisory fees are based on a percentage of the ETPs' average daily net assets. Progress is measured using the practical expedient under the output method resulting in the recognition of revenue in the amount for which the Company has a right to invoice.

Contractual Gold Payments

Contractual gold payments are measured and paid monthly based upon the average daily spot price of gold (Note 9).

Marketing and Advertising

Marketing and advertising costs, including media advertising and production costs, are expensed when incurred.

Depreciation and Amortization

Depreciation and amortization is provided for using the straight-line method over the estimated useful lives of the related assets as follows:

Equipment	3 to 5 years
Internally-developed software	3 years

The assets listed above are recorded at cost less accumulated depreciation and amortization.

Stock-Based Awards

Accounting for stock-based compensation requires the measurement and recognition of compensation expense for all equity awards based on estimated fair values. Stock-based compensation is measured based on the grant-date fair value of the award and is amortized over the relevant service period. Forfeitures are recognized when they occur.

Third-Party Distribution Fees

The Company pays a percentage of its advisory fee revenues based on incremental growth in assets under management ("AUM"), subject to caps or minimums, to marketing agents to sell WisdomTree ETFs and for including WisdomTree ETFs on third-party customer platforms and recognizes these expenses as incurred.

Cash and Cash Equivalents

The Company considers all highly liquid investments with an original maturity of90 days or less at the time of purchase to be classified as cash equivalents. The Company maintains deposits with financial institutions in an amount that is in excess of federally insured limits.

Accounts Receivable

Accounts receivable are customer and other obligations due under normal trade terms. The Company measures credit losses, if any, by applying historical loss rates, adjusted for current conditions and reasonable and supportable forecasts to amounts outstanding using the aging method.

Impairment of Long-Lived Assets

The Company performs a review for the impairment of long-lived assets when events or changes in circumstances indicate that the estimated undiscounted future cash flows expected to be generated by the assets are less than their carrying amounts or when other events occur which may indicate that the carrying amount of an asset may not be recoverable.

Securities Owned and Securities Sold, but not yet Purchased (at fair value)

Securities owned and securities sold, but not yet purchased are securities classified as either trading or available-for-sale ("AFS"). These securities are recorded on their trade date and are measured at fair value. All equity securities that have readily determinable fair values are classified by the Company as trading. Debt securities are classified based primarily on the Company's intent to hold or sell the security. Changes in the fair value of debt securities classified as trading and AFS are reported in other income/(expenses) and other comprehensive income, respectively, in the period the change occurs. Debt securities classified as AFS are assessed for impairment on a quarterly basis and an estimate for credit loss is provided when the fair value of the AFS debt security is below its amortized cost basis. Credit-related impairments are recognized in earnings with a corresponding adjustment to the security's amortized cost basis if the Company intends to sell the impaired AFS debt security or it is more likely than not the Company will be required to sell the security before recovering its amortized cost basis. Other credit-related impairments are recognized as an allowance with a corresponding adjustment to earnings. Impairments resulting from noncredit-related factors are recognized in other comprehensive income. Amounts recorded in other comprehensive income are reclassified into earnings upon sale of the AFS debt security using the specific identification method.

Securities Held-to-Maturity

The Company accounts for certain of its securities asheld-to-maturity on a trade date basis, which are recorded at amortized cost. For held-to-maturity securities, the Company has the intent and ability to hold these securities to maturity and it is notmore-likely-than-not that the Company will be required to sell these securities before recovery of their amortized cost bases, which may be maturity. Held-to-maturity securities are placed on non-accrual status when the Company is in receipt of information indicating collection of interest is doubtful. Cash received onheld-to-maturity securities placed on non-accrual status is recognized on a cash basis as interest income if and when received.

The Company reviews its portfolio ofheld-to-maturity securities for impairment on a quarterly basis, recognizing an allowance, if any, by applying an estimated loss rate after consideration for the nature of collateral securing the financial asset as well as potential future changes in collateral values and historical loss information for financial assets secured with similar collateral.

Investments in pass-through government-sponsored enterprises ("GSEs") are determined to have an estimated loss rate of zero due to an implicit U.S. government guarantee.

Investments

The Company accounts for equity investments that do not have a readily determinable fair value under the measurement alternative prescribed in Accounting Standards Codification ("ASC") Topic 321, *Investments – Equity Securities* ("ASC 321"), to the extent such investments are not subject to consolidation or the equity method. Under the measurement alternative, these financial instruments are carried at cost, less any impairment (assessed quarterly), plus or minus changes resulting from observable price changes in orderly transactions for an identical or similar investment of the same issuer. In addition, income is recognized when dividends are received only to the extent they are distributed from net accumulated earnings of the investee. Otherwise, such distributions are considered returns of investment and are recorded as a reduction of the cost of the investment.

Investments in debt instruments are accounted for at fair value, with changes in fair value reported in other income/(expenses).

Goodwill

Goodwill is the excess of the purchase price over the fair values of the identifiable net assets at the acquisition date. The Company tests goodwill for impairment at least annually and at the time of a triggering event requiring re-evaluation, if one were to occur. Goodwill is considered impaired when the estimated fair value of the reporting unit that was allocated the goodwill is less than its carrying value. If the estimated fair value of such reporting unit is less than its carrying value, goodwill impairment is recognized based on that difference, not to exceed the carrying amount of goodwill. A reporting unit is an operating segment or a component of an operating segment provided that the component constitutes a business for which discrete financial information is available and management regularly reviews the operating results of that component.

Goodwill is allocated to the Company's U.S. business and European business components. For impairment testing purposes, these components are aggregated as a single reporting unit as they fall under the same operating segment and have similar economic characteristics.

Goodwill is assessed for impairment annually on November 30th. When performing its goodwill impairment test, the Company considers a qualitative assessment, when appropriate, and a quantitative assessment using the market approach and its market capitalization when determining the fair value of the reporting unit.

Intangible Assets

Indefinite-lived intangible assets are tested for impairment at least annually and are also reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Indefinite-lived intangible assets are impaired if their estimated fair values are less than their carrying values.

Finite-lived intangible assets, if any, are amortized over their estimated useful life, which is the period over which the assets are expected to contribute directly or indirectly to the future cash flows of the Company. These intangible assets are tested for impairment at the time of a triggering event, if one were to occur. Finite-lived intangible assets may be impaired when the estimated undiscounted future cash flows generated from the assets are less than their carrying amounts.

The Company may rely on a qualitative assessment when performing its intangible asset impairment test. Otherwise, the impairment evaluation is performed at the lowest level of reasonably identifiable cash flows independent of other assets. The annual impairment testing date for all of the Company's intangible assets is November 30th.

Software Development Costs

Software development costs incurred after the preliminary project stage is complete are capitalized if it is probable that the project will be completed and the software will be used as intended. Capitalized costs consist of employee compensation costs and fees paid to third parties who are directly involved in the application development efforts. Capitalized costs are amortized over the estimated useful life of the software on a straight-line basis and are included in depreciation and amortization in the Consolidated Statements of Operations. Once the application development stage is complete, additional costs are expensed as incurred.

Leases

The Company accounts for its lease obligations in accordance with ASC Topic 842, *Leases* ("ASC 842"), which requires the recognition of both (i) a lease liability equal to the present value of the remaining lease payments and (ii) an offsetting right-of-use asset. The remaining lease payments are discounted using the rate implicit in the lease, if known, or otherwise the Company's incremental borrowing rate. After lease commencement, right-of-use assets are assessed for impairment and otherwise are amortized over the remaining lease term on a straight-line basis. These recognition requirements are not applied to short-term leases which are those with a lease term of 12 months or less. Instead, lease payments associated with short-term leases are recognized as an expense on a straight-line basis over the lease term.

ASC 842 also provides a practical expedient which allows for consideration in a contract to be accounted for as a single lease component rather than allocated between lease and non-lease components. The Company has elected to apply this practical expedient to all lease contracts, where applicable.

Deferred Consideration—Gold Payments

Deferred consideration represents the present value of an obligation to pay gold to a third party into perpetuity and is measured using forward-looking gold prices observed on the CMX exchange, a selected discount rate and perpetual growth rate (Note 9). Changes in the fair value of this obligation are reported as gain on revaluation of deferred consideration—gold payments in the Consolidated Statements of Operations.

[Table of Contents](#)

Convertible Notes

Convertible notes are carried at amortized cost, net of issuance costs. In accordance with Accounting Standards Update (“ASU”) 2020-06 *Debt – Debt with Conversion and Other Options*, the Company accounts for convertible instruments as a single liability (applicable to the convertible notes) or equity with no separate accounting for embedded conversion features unless the conversion feature meets the criteria for accounting under the substantial premium model or does not qualify for a derivative scope exception. Interest expense is recognized using the effective interest method and includes amortization of issuance costs over the life of the debt.

Contingencies

The Company may be subject to reviews, inspections and investigations by regulatory authorities as well as legal proceedings arising in the ordinary course of business. The Company evaluates the likelihood of an unfavorable outcome of all legal or regulatory proceedings to which it is a party and accrues a loss contingency when the loss is probable and reasonably estimable.

Contingent Payments

The Company recognizes a gain on contingent payments when the contingency is resolved and the gain is realized.

Earnings per Share

Basic earnings per share (“EPS”) is computed by dividing net income available to common stockholders by the weighted-average number of common shares outstanding for the period. Net income available to common stockholders represents net income of the Company reduced by an allocation of earnings to participating securities. The Series A non-voting convertible preferred stock (Note 11) and unvested share-based payment awards that contain non-forfeitable rights to dividends or dividend equivalents (whether paid or unpaid) are participating securities and are included in the computation of EPS pursuant to the two-class method. Share-based payment awards that do not contain such rights are not deemed participating securities and are included in diluted shares outstanding (if dilutive).

Diluted EPS is calculated under the treasury stock method and the two-class method. The calculation that results in the lowest diluted EPS amount for the common stock is reported in the Company’s consolidated financial statements. The treasury stock method includes the dilutive effect of potential common shares including unvested stock-based awards, the Series A non-voting convertible preferred stock and the convertible notes, if any. Potential common shares associated with the Series A non-voting convertible preferred stock and the convertible notes are computed under the if-converted method. Potential common shares associated with the conversion option embedded in the convertible notes are dilutive when the Company’s average stock price exceeds the conversion price.

Income Taxes

The Company accounts for income taxes using the liability method, which requires the determination of deferred tax assets and liabilities based on the differences between the financial and tax bases of assets and liabilities using the enacted tax rates in effect for the year in which differences are expected to reverse. Deferred tax assets are reduced by a valuation allowance if, based on the weight of available evidence, it is more-likely-than-not that some portion or all the deferred tax assets will not be realized.

Tax positions are evaluated utilizing a two-step process. The Company first determines whether any of its tax positions are more-likely-than-not to be sustained upon examination, based solely on the technical merits of the position. Once it is determined that a position meets this recognition threshold, the position is measured as the largest amount of benefit that is greater than 50% likely of being realized upon ultimate settlement. The Company records interest expense and penalties related to tax expenses as income tax expense.

The Global Intangible Low-Taxed Income (“GILTI”) provisions of the Tax Reform Act requires the Company to include in its U.S. income tax return foreign subsidiary earnings in excess of an allowable return on the foreign subsidiary’s tangible assets. An accounting policy election is available to either account for the tax effects of GILTI in the period that is subject to such taxes or to provide deferred taxes for book and tax basis differences that upon reversal may be subject to such taxes. The Company accounts for the tax effects of these provisions in the period that is subject to such tax.

Non-income based taxes are recorded as part of other liabilities and other expenses.

3. Cash and Cash Equivalents

Of the total cash and cash equivalents of $132,700 and $140,709 at September 30, 2022 and December 31, 2021, respectively, $132,348 and $127,328 were held at two financial institutions. At September 30, 2022 and December 31, 2021, cash equivalents were approximately $384 and $11,488, respectively.

Certain of the Company’s international subsidiaries are required to maintain a minimum level of regulatory capital, which was $23,144 and $12,320 at September 30, 2022 and December 31, 2021, respectively. These requirements are generally satisfied by cash on hand.

4. Fair Value Measurements

The fair value of financial instruments is defined as the price that would be received to sell an asset or paid to transfer a liability (i.e., "the exit price") in an orderly transaction between market participants at the measurement date. ASC 820, *Fair Value Measurement*, establishes a hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. Observable inputs are inputs that market participants would use in pricing the asset or liability developed based on market data obtained from independent sources. Unobservable inputs reflect assumptions that market participants would use in pricing the asset or liability developed based on the best information available in the circumstances. The hierarchy is broken down into three levels based on the transparency of inputs as follows:

Level 1 – Quoted prices for identical instruments in active markets.

Level 2 – Quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations whose inputs are observable or whose significant value drivers are observable.

Level 3 – Instruments whose significant drivers are unobservable.

The availability of observable inputs can vary from product to product and is affected by a wide variety of factors, including, for example, the type of product, whether the product is new and not yet established in the marketplace, and other characteristics particular to the transaction. To the extent that valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires more judgment. Accordingly, the degree of judgment exercised by management in determining fair value is greatest for instruments categorized in Level 3. In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes, the level in the fair value hierarchy within which the fair value measurement in its entirety falls is determined based on the lowest level input that is significant to the fair value measurement in its entirety.

The tables below summarize the categorization of the Company's assets and liabilities measured at fair value. During the three and nine months ended September 30, 2022 and 2021 there were no transfers between Levels 2 and 3.

	September 30, 2022			
	Total	Level 1	Level 2	Level 3
Assets:				
Recurring fair value measurements:				
Cash equivalents	$ 284	$ 284	$ —	$ —
Securities owned, at fair value				
ETFs	12,621	12,621	—	—
U.S. treasuries	8,437	8,437	—	—
Pass-through GSEs	102,248	23,694	78,554	—
Corporate bonds	1,804	—	1,804	—
Investments in Convertible Notes				
Securrency, Inc.—convertible note(Note 7)	5,844	—	—	5,844
Fnality International Limited—convertible note (Note 7)	6,195	—	—	6,195
Total	$ 137,433	$ 45,036	$ 80,358	$ 12,039
Non-recurring fair value measurements:				
Onramp Invest, Inc.—preferred stock (Note 7)[1]	$ 312	$ —	$ —	$ 312
Liabilities:				
Recurring fair value measurements:				
Deferred consideration (Note 9)	$ 164,757	$ —	$ —	$164,757

[1] Fair value determined on May 10, 2022 (Note 7).

	December 31, 2021			
	Total	Level 1	Level 2	Level 3
Assets:				
Recurring fair value measurements:				
Cash equivalents	$ 11,488	$ 11,488	$ —	$ —
Securities owned, at fair value				
ETFs	18,812	18,812	—	—
Pass-through GSEs	106,245	24,720	81,525	—
Corporate bonds	2,109	—	2,109	—
Total	$ 138,654	$ 55,020	$ 83,634	$ —
Non-recurring fair value measurements:				
Securrency, Inc.—Series A convertible preferred stock[1]	$ 8,488	$ —	$ —	$ 8,488
Liabilities:				
Recurring fair value measurements:				
Deferred consideration (Note 9)	$ 228,062	$ —	$ —	$ 228,062

(1) Fair value of $8,488 and $8,349 determined on June 9, 2021 and March 8, 2021, respectively (Note 7).

Recurring Fair Value Measurements - Methodology

Cash Equivalents (Note 3) – These financial assets represent cash invested in highly liquid investments with original maturities of less than 90 days. These investments are valued at par, which approximates fair value, and are classified as Level 1 in the fair value hierarchy.

Securities Owned (Note 5) – Securities owned are investments in ETFs, pass-through GSEs, U.S. treasuries and corporate bonds. ETFs and U.S. treasuries are generally traded in active, quoted and highly liquid markets and are therefore classified as Level 1 in the fair value hierarchy. Pricing of pass-through GSEs and corporate bonds include consideration given to collateral characteristics and market assumptions related to yields, credit risk and timing of prepayments and are therefore generally classified as Level 2. Pass-through GSE positions invested in through a fund structure with a quoted market price on an exchange are generally classified as Level 1.

Fair Value Measurements classified as Level 3 – The following table presents a reconciliation of beginning and ending balances of recurring fair value measurements classified as Level 3:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Investments in Convertible Notes (Note 7)				
Beginning balance	$ 11,712	$ —	$ —	$ —
Purchases	—	—	11,863	—
Net unrealized gains[1]	327	—	176	—
Ending balance	$ 12,039	$ —	$ 12,039	$ —
Deferred Consideration (Note 9)				
Beginning balance	$ 242,767	$ 226,706	$ 228,062	$ 230,137
Net realized losses[2]	4,105	4,250	13,001	12,834
Net unrealized gains[3]	(77,895)	(1,737)	(63,188)	(5,066)
Settlements	(4,220)	(4,266)	(13,118)	(12,952)
Ending balance	$ 164,757	$ 224,953	$ 164,757	$ 224,953

(1) Recorded in other losses, net in the Consolidated Statements of Operations.

(2) Recorded as contractual gold payments expense in the Consolidated Statements of Operations.

(3) Recorded as gain on revaluation of deferred consideration—gold payments in the Consolidated Statements of Operations

5. Securities Owned

These securities consist of the following:

Securities Owned	September 30, 2022	December 31, 2021
Trading securities	$ 125,110	$ 127,166

The Company recognized net trading losses on securities owned that were still held at the reporting dates of $6,010 and $1,323 during the three months ended September 30, 2022 and 2021, respectively, and $13,922 and $2,156 during the nine months ended September 30, 2022 and 2021, respectively, which were recorded in other losses, net, in the Consolidated Statements of Operations.

6. Securities Held-to-Maturity

The following table is a summary of the Company's securities held-to-maturity:

	September 30, 2022	December 31, 2021
Debt instruments: Pass-through GSEs (amortized cost)	$ 267	$ 308

During the nine months ended September 30, 2022 and 2021, the Company received proceeds of $38 and $114, respectively, from held-to-maturity securities maturing or being called prior to maturity.

The following table summarizes unrealized gains, losses and fair value (classified as Level 2 within the fair value hierarchy) of securities held-to-maturity:

	September 30, 2022	December 31, 2021
Cost/amortized cost	$ 267	$ 308
Gross unrealized gains	—	13
Gross unrealized losses	(23)	—
Fair value	$ 244	$ 321

An allowance for credit losses was not provided on the Company's held-to-maturity securities as all securities are investments in pass-through GSEs which are determined to have an estimated loss rate of zero due to an implicit U.S. government guarantee.

The following table sets forth the maturity profile of the securities held-to-maturity; however, these securities may be called prior to maturity date:

	September 30, 2022	December 31, 2021
Due within one year	$ —	$ —
Due one year through five years	—	—
Due five years through ten years	29	—
Due over ten years	238	308
Total	$ 267	$ 308

7. Investments

The following table sets forth the Company's investments:

	September 30, 2022		December 31, 2021	
	Carrying Value	Cost	Carrying Value	Cost
Securrency, Inc.—Series A convertible preferred stock	$ 8,488	$ 8,112	$ 8,488	$ 8,112
Securrency, Inc.—Series B convertible preferred stock	5,500	5,500	5,500	5,500
Securrency, Inc.—convertible note	5,844	5,000	—	—
Subtotal—Securrency, Inc.	$ 19,832	$ 18,612	$ 13,988	$ 13,612
Fnality International Limited—convertible note	6,195	6,863	—	—
Onramp Invest, Inc.—Series A-4 preferred stock	312	250	250	250
	$ 26,339	$ 25,725	$ 14,238	$ 13,862

Securrency, Inc. – Preferred Stock

The Company owns approximately 22% (or 18% on a fully-diluted basis) of the capital stock of Securrency, Inc. ("Securrency"), a developer of institutional-grade blockchain-based financial and regulatory technology, issued as a result of strategic investments totaling $13,612. In consideration of such investments, the Company received 5,178,488 shares of Series A convertible preferred stock ("Series A Shares") in December of 2019 and 2,004,665 shares of Series B convertible preferred stock ("Series B Shares") in March of 2021. The Series B Shares contain a liquidation preference that is pari passu with shares of Series B-1 convertible preferred stock (which are substantially the same as the Series B Shares except that they have limited voting rights) and senior to that of the holders of the Series A Shares, which are senior to the holders of common stock. Otherwise, the Series A Shares and Series B Shares have substantially the same terms, are convertible into common stock at the option of the Company and contain various rights and protections including a non-cumulative 6.0% dividend, payable if and when declared by the board of directors of Securrency. In addition, the Series A Shares and Series B Shares (together with the Series B-1 convertible preferred stock) are separately redeemable, with respect to all of the shares outstanding of the applicable series of preferred stock (subject to certain regulatory restrictions of certain investors), for the original issue price thereof, plus all declared and unpaid dividends, upon approval by holders of at least 60% of the Series A Shares (at any time on or after December 31, 2029) and 90% of the Series B Shares (at any time on or after March 31, 2031).

These investments are accounted for under the measurement alternative prescribed in ASC 321, as they do not have a readily determinable fair values and are not considered to be in-substance common stock. The investments are assessed for impairment and similar observable transactions on a quarterly basis. There was no impairment recognized during the three and nine months ended September 30, 2022 and the three months ended September 30, 2021 based upon a qualitative assessment.

During the nine months ended September 30, 2021, the Company recognized a gain of $376 on its Series A Shares, which were re-measured to fair value upon the issuance of Securrency's Series B Shares. Fair value was determined using the backsolve method, a valuation approach that determines the value of shares for companies with complex capital structures based upon the price paid for shares recently issued. Fair value is allocated across the capital structure using the Black-Scholes option pricing model.

The table below presents the inputs used in the backsolve valuation approach (classified as Level 3 in the fair value hierarchy):

	Inputs	
	June 9, 2021	March 8, 2021
Expected volatility	50%	55%
Time to exit (in years)	4.75	5.00

Securrency – Convertible Note

In April 2022, the Company participated in a convertible note financing, making a $5,000 investment in Securrency. In consideration for its investment, the Company was issued a 7% Convertible Promissory Note maturing on April 21, 2023.

The note is convertible into either Securrency's common stock or the class of securities convertible into, exchangeable for, or conferring the right to purchase Securrency's common stock that is issued in the event of a future equity financing at a conversion price equal to a discount of 25% (or, if applicable, a greater discount offered to other holders of convertible securities in such future equity financing round) to the lowest price paid per equity share issued in the future equity financing round.

The note is redeemable upon the occurrence of a corporate transaction for an amount which is the greater of (i) the principal amount and all accrued interest and (ii) the amount that would be received had the note been converted to common stock immediately prior to the occurrence of the corporate transaction. At maturity, redemption or conversion may occur upon the election by the holders of a majority-in-interest of the aggregate principal amount of outstanding notes. If no such election is made, Securrency may elect to pay or convert the notes in its sole discretion.

The note is accounted for at fair value. Fair value is determined by the Company using the probability-weighted expected return method ("PWERM"), a valuation approach that estimates the value of the note assuming various outcomes. During the three and nine months ended September 30, 2022, the Company recognized a gain of $565 and $844, respectively, when re-measuring the notes to fair value.

The table below presents the probability ascribed to potential outcomes used in the PWERM (classified as Level 3 in the fair value hierarchy) and the time to exit:

	September 30, 2022
Conversion of note upon a future equity financing	85%
Redemption of note upon a corporate transaction	10%
Default	5%
Time to potential outcome (in years)	0.25

Table of Contents

Fnality International Limited – Convertible Note

In February 2022, the Company participated in a convertible note financing, making a £5,000 ($6,863) investment in Fnality International Limited (“Fnality”), a company incorporated in England and Wales and focused on creating a peer-to-peer digital wholesale settlement ecosystem comprised of a consortium of financial institutions, offering real time cross-border payments from a single pool of liquidity. In consideration for its investment, the Company was issued a 5% Convertible Unsecured Loan Note maturing on December 31, 2023.

The note is convertible into equity shares in the event of a future financing round at a conversion price equal to the lower of (i) a discount of 20% to lowest price paid per equity share issued pursuant to such future financing round and (ii) an amount paid per share subject to a pre-money valuation cap. Mandatory conversion may occur on or after the maturity date or, if earlier, in the event a future financing round has not been completed within a specified time from an initial closing of such financing round (“Long Stop Date”), upon the approval of holders of at least 75% of the outstanding notes. The note is also convertible, at the option of the Company, following the earlier of the maturity date or such Long Stop Date.

The note is redeemable upon the occurrence of a change of control for an amount which is the greater of (i) the principal amount and all accrued interest and (ii) the amount that would be received had the note been converted to equity shares immediately prior to the occurrence of the change of control. Redemption may also occur on or after maturity or prior to maturity upon approval by holders of at least 50% and 75%, respectively, of the outstanding notes, or in connection with bankruptcy or other liquidation events.

The note is accounted for at fair value. Fair value is determined by the Company using the PWERM and is also remeasured for changes in the British pound and U.S. dollar exchange rate. During the three and nine months ended September 30, 2022, the Company recognized a loss of $238 and $668, respectively, when re-measuring the notes to fair value.

The table below presents the probability ascribed to potential outcomes used in the PWERM (classified as Level 3 in the fair value hierarchy) and the time to exit:

	September 30, 2022
Conversion of note upon a future financing round	85%
Redemption of note upon a change of control	10%
Default	5%
Time to potential outcome (in years)	0.25

Onramp Invest, Inc. – Preferred Stock

In June 2021, the Company invested $250 in Onramp Invest, Inc. (“Onramp”), a technology company that provides access to crypto assets for registered investment advisers. In consideration for its investment, the Company was issued a Simple Agreement for Future Equity (“SAFE”), which provided the Company with the right to be issued certain shares of Onramp’s preferred stock in connection with Onramp’s future equity financing for preferred stock, at a 20% discount to the price per share issued in connection with such equity financing, subject to a pre-determined valuation cap. In May 2022, in connection with a Series A financing by Onramp, the Company’s SAFE was converted into shares of Series A-4 Preferred Stock, representing a small ownership interest in Onramp.

The investment is accounted for under the measurement alternative prescribed in ASU 2016-01, as it does not have a readily determinable fair value and is not considered to be in-substance common stock. The investment is assessed for impairment and similar observable transactions on a quarterly basis. During the three and nine months ended September 30, 2022, the Company recognized a gain of $0 and $62, respectively, in connection with the conversion of the SAFE into Series A-4 Preferred Stock of Onramp. There was no impairment recognized during the three and nine months ended September 30, 2021 based upon a qualitative assessment.

8. Fixed Assets, net

The following table summarizes fixed assets:

	September 30, 2022	December 31, 2021
Equipment	$ 919	$ 784
Less: accumulated depreciation	(344)	(227)
Total	$ 575	$ 557

During the three and nine months ended September 30, 2021, the Company recognized an impairment charge of $6,576, representing the write-off of leasehold improvements and fixed assets in connection with the termination of the lease for its principal executive office at 245 Park Avenue, New York, New York. See Notes 12 and 23 for additional information.

9. Deferred Consideration

Deferred consideration represents an obligation the Company assumed in connection with its acquisition of the European exchange-traded commodity, currency and leveraged and inverse business of ETFS Capital Limited ("ETFS Capital") which occurred on April 11, 2018 ("ETFS Acquisition"). The obligation is for fixed payments to ETFS Capital of physical gold bullion equating to 9,500 ounces of gold per year through March 31, 2058 and then subsequently reduced to 6,333 ounces of gold continuing into perpetuity ("Contractual Gold Payments").

The Contractual Gold Payments are paid from advisory fee income generated by any Company-sponsored financial product backed by physical gold and are subject to adjustment and reduction for declines in advisory fee income generated by such products, with any reduction remaining due and payable until paid in full. ETFS Capital's recourse is limited to such advisory fee income and it has no recourse back to the Company for any unpaid amounts that exceed advisory fees earned. ETFS Capital ultimately has the right to claw back Gold Bullion Securities Ltd. (a physically backed gold ETP issuer) if the Company fails to remit any amounts due.

The Company determined the present value of the deferred consideration of $164,757 and $228,062 at September 30, 2022 and December 31, 2021 using the following assumptions:

	September 30, 2022	December 31, 2021
Forward-looking gold price (low)—per ounce	$ 1,665	$ 1,833
Forward-looking gold price (high)—per ounce	$ 3,027	$ 2,705
Forward-looking gold price (weighted average)—per ounce	$ 2,037	$ 2,106
Discount rate	12.25%	9.0%
Perpetual growth rate	1.54%	1.0%

The forward-looking gold prices at September 30, 2022 were extrapolated from the last observable CMX exchange price (beyond 2028) and the weighted-average price per ounce was derived from the relative present values of the annual payment obligations. The perpetual growth rate was determined based upon the increase in observable forward-looking gold prices through 2027. This obligation is classified as Level 3 as the discount rate, the extrapolated forward-looking gold prices and perpetual growth rate are significant unobservable inputs. An increase in spot gold prices, forward-looking gold prices and the perpetual growth rate would result in an increase in deferred consideration, whereas an increase in the discount rate would reduce the fair value.

Current amounts payable were $15,162 and $16,739 and long-term amounts payable were $149,595 and $211,323, respectively, at September 30, 2022 and December 31, 2021, respectively.

During the three and nine months ended September 30, 2022 and 2021, the Company recognized the following in respect of deferred consideration:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Contractual gold payments	$ 4,105	$ 4,250	$ 13,001	$ 12,834
Contractual gold payments—gold ounces paid	2,375	2,375	7,125	7,125
Gain on revaluation of deferred consideration—gold payments[1]	$ 77,895	$ 1,737	$ 63,188	$ 5,066

(1) Gains on revaluation of deferred consideration—gold payments result from a decrease in spot gold prices, a decrease in the forward-looking price of gold, a decrease in the perpetual growth rate and an increase in the discount rate used to compute the present value of the annual payment obligations.

10. Convertible Notes

On June 14, 2021, the Company issued and sold $150,000 in aggregate principal amount of 3.25% Convertible Senior Notes due 2026 (the "2021 Notes") pursuant to an indenture dated June 14, 2021, between the Company and U.S. Bank National Association, as trustee (the "Trustee"), in a private offering to qualified institutional buyers pursuant to Rule 144A under the Securities Act of 1933, as amended ("Rule 144A").

On June 16, 2020, the Company issued and sold $150,000 in aggregate principal amount of 4.25% Convertible Senior Notes due 2023 (the "June 2020 Notes") pursuant to an indenture dated June 16, 2020, between the Company and the Trustee, in a private offering to qualified institutional buyers pursuant to Rule 144A. On August 13, 2020, the Company issued and sold $25,000 in aggregate principal amount of 4.25% Convertible Senior Notes due 2023 at a price equal to 101% of the principal amount thereof, plus interest deemed to have accrued since June 16, 2020, and constitute a further issuance of, and form a single series with, the Company's June 2020 Notes (the "August 2020 Notes" and together with the June 2020 Notes, the "2020 Notes").

After the issuance of the 2021 Notes (and together with the 2020 Notes, the “Convertible Notes”), the Company had $325,000 aggregate principal amount of Convertible Notes outstanding.

Key terms of the Convertible Notes are as follows:

	2021 Notes	2020 Notes
Maturity date (unless earlier converted, repurchased or redeemed)	June 15, 2026	June 15, 2023
Interest rate	3.25%	4.25%
Conversion price	$11.04	$5.92
Conversion rate	90.5797	168.9189
Redemption price	$14.35	$7.70

- *Interest rate*: Payable semiannually in arrears on June 15 and December 15 of each year.
- *Conversion price*: Convertible at an initial conversion rate of the Company’s common stock, per $1,000 principal amount of notes (equivalent to an initial conversion price as disclosed in the table above).
- *Conversion*: Holders may convert at their option at any time prior to the close of business on the business day immediately preceding March 15, 2026 and March 15, 2023 in respect of the 2021 Notes and 2020 Notes, respectively, only under the following circumstances: (i) if the last reported sale price of the Company’s common stock for at least 20 trading days during a period of 30 consecutive trading days ending on the last trading day of the immediately preceding calendar quarter is greater than or equal to 130% of the conversion price on each applicable trading day; (ii) during the five business day period after any ten consecutive trading day period (the “measurement period”) in which the trading price per $1,000 principal amount of the Convertible Notes for each trading day of the measurement period was less than 98% of the product of the last reported sales price of the Company’s common stock and the conversion rate on each such trading day; (iii) upon a notice of redemption delivered by the Company in accordance with the terms of the indentures but only with respect to the Convertible Notes called (or deemed called) for redemption; or (iv) upon the occurrence of specified corporate events. On or after March 15, 2026 and March 15, 2023 in respect of the 2021 Notes and 2020 Notes, respectively, until the close of business on the second scheduled trading day immediately preceding the maturity date, holders may convert their Convertible Notes at any time, regardless of the foregoing circumstances.
- *Cash settlement of principal amount*: Upon conversion, the Company will pay cash up to the aggregate principal amount of the Convertible Notes to be converted. At its election, the Company will also settle its conversion obligation in excess of the aggregate principal amount of the Convertible Notes being converted in either cash, shares of its common stock or a combination of cash and shares of its common stock.
- *Redemption price:* The Company may redeem for cash all or any portion of the notes, at its option, on or after June 20, 2023 and June 20, 2021 in respect of the 2021 Notes and 2020 Notes, respectively, and on or prior to the 55th scheduled trading day immediately preceding the maturity date, if the last reported sale price of the Company’s common stock has been at least 130% of the conversion price then in effect for at least 20 trading days, including the trading day immediately preceding the date on which the Company provides notice of redemption, during any 30 consecutive trading day period ending on, and including, the trading day immediately preceding the date on which the Company provides notice of redemption, at a redemption price equal to 100% of the principal amount of the notes to be redeemed, plus accrued and unpaid interest to, but excluding the redemption date. No sinking fund is provided for the Convertible Notes.
- *Limited investor put rights*: Holders of the Convertible Notes have the right to require the Company to repurchase for cash all or a portion of their notes at 100% of their principal amount, plus any accrued and unpaid interest, upon the occurrence of certain change of control transactions or liquidation, dissolution or common stock delisting events.
- *Conversion rate increase in certain customary circumstances*: In certain circumstances, conversions in connection with a “make-whole fundamental change” (as defined in the indentures) or conversions of Convertible Notes called (or deemed called) for redemption may result in an increase to the conversion rate, provided that the conversion rate will not exceed 144.9275 shares and 270.2702 shares of the Company’s common stock per $1,000 principal amount of the 2021 Notes and 2020 Notes, respectively (the equivalent of 69,036,410 shares of the Company’s common stock), subject to adjustment.
- *Seniority and Security*: The 2021 Notes and 2020 Notes rank equal in right of payment, and are the Company’s senior unsecured obligations, but are subordinated in right of payment to the Company’s obligations to make certain redemption payments (if and when due) in respect of its Series A Non-Voting Convertible Preferred Stock (Note 12).

The indentures contain customary terms and covenants, including that upon certain events of default occurring and continuing, either the Trustee or the holders of not less than 25% in aggregate principal amount of the Convertible Notes outstanding may declare the entire principal amount of all the Convertible Notes to be repurchased, plus any accrued special interest, if any, to be immediately due and payable.

The following table provides a summary of the carrying value of the Convertible Notes at September 30, 2022 and December 31, 2021:

	September 30, 2022			December 31, 2021		
	2021 Notes	2020 Notes	Total	2021 Notes	2020 Notes	Total
Principal amount	$ 150,000	$ 175,000	$ 325,000	$ 150,000	$ 175,000	$ 325,000
Plus: Premium	—	250	250	—	250	250
Gross proceeds	$ 150,000	$ 175,250	$ 325,250	$ 150,000	$ 175,250	$ 325,250
Less: Unamortized issuance costs[(1)]	(3,195)	(1,490)	(4,685)	(3,833)	(2,793)	(6,626)
Carrying amount	$ 146,805	$ 173,760	$ 320,565	$ 146,167	$ 172,457	$ 318,624
Effective interest rate[(1)]	3.83%	5.26%	4.60%	3.83%	5.26%	4.60%

[(1)] Includes amortization of the issuance costs and premium.

On January 1, 2021, the Company early adopted ASU 2020-06, which simplified the accounting for convertible instruments by providing for such instruments being reported as a single liability (applicable to the convertible notes) or equity with no separate accounting for the embedded conversion features unless the conversion feature meets the criteria for accounting under the substantial premium model or does not qualify for a derivative scope exception. Previously, convertible instruments were required to be separated into their liability and equity components by allocating the issuance proceeds to each of those components. The discount arising from the recognition of the equity component was amortized as interest expense over the life of the 2020 Notes.

Interest expense on the Convertible Notes was $3,734 and $11,199, respectively, during the three and nine months ended September 30, 2022, and $3,729 and $8,592, respectively, during the comparable periods in 2021. Interest payable of $3,691 and $590 at September 30, 2022 and December 31, 2021 is included in accounts payable and other liabilities in the Consolidated Balance Sheets.

The fair value of the Convertible Notes (classified as Level 2 in the fair value hierarchy) was $310,890 and $360,571 at September 30, 2022 and December 31, 2021, respectively. The if-converted value of the 2020 Notes did not exceed the principal amount at September 30, 2022 and was $180,912 at December 31, 2021. The if-converted value of the 2021 Notes did not exceed the principal amount at September 30, 2022 and December 31, 2021.

11. Preferred Shares

On April 10, 2018, the Company filed a Certificate of Designations of Series A Non-Voting Convertible Preferred Stock with the Secretary of State of the State of Delaware establishing the rights, preferences, privileges, qualifications, restrictions, and limitations relating to the Preferred Shares (defined below). The Preferred Shares are intended to provide ETFS Capital with economic rights equivalent to the Company's common stock on an as-converted basis. The Preferred Shares have no voting rights, are not transferable and have the same priority with regard to dividends, distributions and payments as the common stock.

As described in the Certificate of Designations, the Company will not issue, and ETFS Capital does not have the right to require the Company to issue, any shares of common stock upon conversion of the Preferred Shares, if, as a result of such conversion, ETFS Capital (together with certain attribution parties) would beneficially own more than 9.99% of the Company's outstanding common stock immediately after giving effect to such conversion.

In connection with the completion of the ETFS Acquisition, the Company issued 14,750 shares of Series A Non-Voting Convertible Preferred Stock (the "Preferred Shares"), which are convertible into an aggregate of 14,750,000 shares of common stock. The fair value of this consideration was $132,750, based on the closing price of the Company's common stock on April 10, 2018 of $9.00 per share, the trading day prior to the closing of the acquisition.

The following is a summary of the Preferred Share balance:

	September 30, 2022	December 31, 2021
Issuance of Preferred Shares	$ 132,750	$ 132,750
Less: Issuance costs	(181)	(181)
Preferred Shares—carrying value	$ 132,569	$ 132,569
Cash dividends declared per share	$ 0.03	$ 0.03

Temporary equity classification is required for redeemable instruments for which redemption triggers are outside of the issuer's control. ETFS Capital has the right to redeem all the Preferred Shares specified to be converted during the period of time specified in the Certificate of Designations in the event that: (a) the number of shares of the Company's common stock authorized by its certificate of incorporation is insufficient to permit the Company to convert all of the Preferred Shares requested by ETFS Capital to be converted; or (b) ETFS Capital does not, upon completion of a change of control of the Company, receive the same amount per Preferred Share as it would have received had each outstanding Preferred Share been converted into common stock immediately prior to the change of control. However, the Company will not be obligated to make any such redemption payments to the extent such payments would be a breach of any covenant or obligation the Company owes to any of its secured creditors or is otherwise prohibited by applicable law.

Any such redemption will be at a price per Preferred Share equal to the dollar volume-weighted average price for a share of common stock for the 30-trading day period ending on the date of such attempted conversion or change of control, as applicable, multiplied by 1,000. Such redemption payment will be made in one payment no later than 10 business days following the last day of the Company's first fiscal quarter that begins on a date following the date ETFS Capital exercises such redemption right. The redemption value of the Preferred Shares was $73,594 and $90,741 at September 30, 2022 and December 31, 2021, respectively.

The carrying amount of the Preferred Shares was not adjusted as it was not probable that the Preferred Shares would become redeemable.

12. Leases

The Company has entered into operating leases for its corporate headquarters and office facilities, financial data terminals and equipment. The Company has no finance leases.

The following table provides additional information regarding the Company's leases:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Lease cost:				
Operating lease cost	$ 316	$ 520	$ 648	$ 1,860
Short-term lease cost	296	242	856	797
Total lease cost	$ 612	$ 762	$ 1,504	$ 2,657
Other information:				
Cash paid for amounts included in the measurement of operating liabilities (operating leases)	$ 296	$ 13,804	$ 644	$ 15,462
Right-of-use assets obtained in exchange for new operating lease liabilities	n/a	n/a	n/a	n/a
Weighted-average remaining lease term (in years)—operating leases	1.5	1.8	1.5	1.8
Weighted-average discount rate—operating leases	6.3%	4.4%	6.3%	4.4%

None of the Company's leases include variable payments, residual value guarantees or any restrictions or covenants relating to the Company's ability to pay dividends or incur additional financing obligations.

During the three and nine months ended September 30, 2021, the Company recognized an impairment charge of $9,277 and $9,580, respectively, resulting from the derecognition of right-of-use assets upon exiting its New York and London offices in September 2021 and February 2021, respectively, as well as costs incurred to restore the office spaces to their original condition. These losses are included in impairments in the Company's Consolidated Statements of Operations (Note 23).

The following table discloses future minimum lease payments at September 30, 2022 with respect to the Company's operating lease liabilities:

Remainder of 2022	$ 317
2023	1,110
2024	397
2025	—
2026	—
2027 and thereafter	—
Total future minimum lease payments (undiscounted)	$ 1,824

The following table reconciles the future minimum lease payments (disclosed above) at September 30, 2022 to the operating lease liabilities recognized in the Consolidated Balance Sheets:

Amounts recognized in the Consolidated Balance Sheets	
Lease liability—short term	$ 1,186
Lease liability—long term	554
Subtotal	1,740
Difference between undiscounted and discounted cash flows	84
Total future minimum lease payments (undiscounted)	$ 1,824

13. Contingencies

The Company may be subject to reviews, inspections and investigations by regulatory authorities as well as legal proceedings arising in the ordinary course of business.

Closure of the WisdomTree WTI Crude Oil 3x Daily Leveraged ETP

In December 2020, WMAI, WTMAML, WTUK and WisdomTree Ireland Limited (“WT Ireland”) were served with a writ of summons to appear before the Court of Milan, Italy. In January 2021, WTUK was served with a writ of summons to appear before the Court of Udine, Italy. Investors had filed actions seeking damages resulting from the closure of the WisdomTree WTI Crude Oil 3x Daily Leveraged ETP (“3OIL”) in March 2020. The product was dependent on the receipt of payments from a swap provider to satisfy payment obligations to the investors. Due to an extreme adverse move in oil futures relative to the oil futures’ closing price, the swap contract underlying 3OIL was terminated by the swap provider, which resulted in the compulsory redemption of 3OIL, all in accordance with the prospectus.

In February 2022, the Court of Udine ruled in the Company’s favor. Also in February 2022, WMAI, WTMAML, WTUK and WT Ireland were served with another writ of summons to appear before the Court of Milan by additional investors seeking damages resulting from the closure of 3OIL.

In March 2022, WMAI and WTUK were served with writs of summons to appear before the Court of Turin and the Court of Milan by additional investors seeking damages. These writs also were served on the intermediary brokers for the respective claimants, with the claimants alleging joint and several liability of WMAI, WTUK and such intermediary brokers.

Total damages sought by all investors are approximately €15,800 ($15,378) at September 30, 2022.

The Company is currently assessing these claims with its external counsel. An accrual has not been made with respect to these matters at September 30, 2022 and December 31, 2021.

14. Variable Interest Entities

VIEs are entities with any of the following characteristics: (i) the entity does not have enough equity to finance its activities without additional financial support; (ii) the equity holders, as a group, lack the characteristics of a controlling financial interest; or (iii) the entity is structured with non-substantive voting rights.

Consolidation of a VIE is required for the party deemed to be the primary beneficiary, if any. The primary beneficiary is the party who has both (a) the power to direct the activities of a VIE that most significantly impact the entity’s economic performance and (b) an obligation to absorb losses of the entity or a right to receive benefits from the entity that could potentially be significant to the entity. The Company is not the primary beneficiary of any entities in which it has a variable interest as it does not have the power to direct the activities that most significantly impact the entities’ economic performance. Such power is conveyed through the entities’ boards of directors and the Company does not have control over the boards.

The following table presents information about the Company's variable interests innon-consolidated VIEs:

	September 30, 2022	December 31, 2021
Carrying Amount—Assets (Securrency)		
Preferred stock—Series A Shares	$ 8,488	$ 8,488
Preferred stock—Series B Shares	5,500	5,500
Convertible note	5,844	—
Subtotal—Securrency	$ 19,832	$ 13,988
Carrying Amount—Assets (Fnality)		
Convertible note	6,195	—
Carrying Amount—Assets (Onramp)		
Preferred stock	312	250
Total (Note 7)	$ 26,339	$ 14,238
Maximum exposure to loss	$ 26,339	$ 14,238

15. Revenues from Contracts with Customers

The following table presents the Company's total revenues from contracts with customers:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Revenues from contracts with customers:				
Advisory fees	$ 70,616	$ 76,400	$ 222,719	$ 220,611
Other	1,798	1,712	5,316	4,532
Total operating revenues	$ 72,414	$ 78,112	$ 228,035	$ 225,143

The Company recognizes revenues from contracts with customers when the performance obligation is satisfied, which is when the promised services are transferred to the customer. A service is considered to be transferred when the customer obtains control, which is represented by the transfer of rights with regard to the service. Transfer of control happens either over time or at a point in time. When a performance obligation is satisfied over time, an entity is required to select a single method of measuring progress for each performance obligation that depicts the entity's performance in transferring control of services to the customer.

Substantially all the Company's revenues from contracts with customers are derived primarily from investment advisory agreements with related parties (Note 16). These advisory fees are recognized over time, are earned from the Company's ETPs and are calculated based on a percentage of the ETPs' average daily net assets. There is no significant judgment in calculating amounts due which are invoiced monthly in arrears and are not subject to any potential reversal. Progress is measured using the practical expedient under the output method resulting in the recognition of revenue in the amount for which the Company has a right to invoice.

There are no contract assets or liabilities that arise in connection with the recognition of advisory fee revenue. In addition, there areno costs incurred to obtain or fulfill the contracts with customers, all of which are investment advisory agreements with related parties.

Geographic Distribution of Revenue

The following table presents the Company's total revenues geographically as determined by where the respective management companies reside:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Revenues from contracts with customers:				
United States	$ 45,263	$ 46,523	$ 137,299	$ 131,744
Jersey	23,702	28,724	80,111	85,953
Ireland	3,449	2,865	10,625	7,446
Total operating revenues	$ 72,414	$ 78,112	$ 228,035	$ 225,143

16. Related Party Transactions

The Company's revenues are derived primarily from investment advisory agreements with related parties. Under these agreements, the Company has licensed to related parties the use of certain of its own indexes for the U.S. WisdomTree ETFs and WisdomTree UCITS ETFs. The Board of Trustees and Board of Directors (including certain officers of the Company) of the related parties are primarily responsible for overseeing the management and affairs of the entities for the benefit of their stakeholders and have contracted with the Company to provide for general management and administration services. The Company is also responsible for certain expenses of the related parties, including the cost of transfer agency, custody, fund administration and accounting, legal, audit, and other non-distribution services, excluding extraordinary expenses, taxes and certain other expenses, which are included in fund management and administration in the Consolidated Statements of Operations. In exchange, the Company receives fees based on a percentage of the ETPs' average daily net assets. A majority of the independent members of the Board of Trustees are required to annually approve the advisory agreements of the U.S. WisdomTree ETFs and these agreements may be terminated by the Board of Trustees upon notice.

The following table summarizes accounts receivable from related parties which are included as a component of accounts receivable in the Consolidated Balance Sheets:

	September 30, 2022	December 31, 2021
Receivable from WTT	$ 14,618	$ 15,987
Receivable from ManJer Issuers	4,624	6,460
Receivable from WMAI and WTI	1,980	3,181
Total	$ 21,222	$ 25,628

The allowance for credit losses on accounts receivable from related parties is insignificant when applying historical loss rates, adjusted for current conditions and supportable forecasts, to the amounts outstanding in the table above. Amounts outstanding are all invoiced in arrears, are less than 30 days aged and are collected shortly after the applicable reporting period.

The following table summarizes revenues from advisory services provided to related parties:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Advisory services provided to WTT	$ 45,112	$ 46,386	$ 136,852	$ 131,364
Advisory services provided to ManJer Issuers	22,055	24,759	75,242	75,296
Advisory services provided to WMAI and WTI	3,449	5,255	10,625	13,951
Total	$ 70,616	$ 76,400	$ 222,719	$ 220,611

The Company also has investments in certain WisdomTree ETFs of approximately $12,387 and $18,526 at September 30, 2022 and December 31, 2021, respectively. Net gain and (losses) related to trading WisdomTree ETFs were ($489) and ($1,608), respectively, during the three and nine months ended September 30, 2022, and ($92) and $75, respectively, during the comparable periods in 2021. Such gains and losses are recorded in other losses, net in the Consolidated Statements of Operations.

17. Stock-Based Awards

On July 15, 2022, the Company's stockholders approved the 2022 Equity Plan under which the Company may issue up to16,000,000 shares of common stock (less one share for every share granted under the 2016 Equity Plan since March 31, 2022 and inclusive of shares available under the 2016 Equity Plan as of March 31, 2022) in the form of stock options and other stock-based awards.

The Company grants equity awards to employees and directors which include restricted stock awards ("RSAs"), restricted stock units ("RSUs"), performance-based restricted stock units ("PRSUs") and stock options. Certain awards described below are subject to acceleration under certain conditions.

Stock options:	Generally issued for terms often years and may vest after at leastone year of service and have an exercise price equal to the Company's stock price on the grant date. The Company estimates the fair value of stock options (when granted) using the Black-Scholes option pricing model.
RSAs/RSUs:	Awards are valued based on the Company's stock price on grant date and generally vest ratably over three years.

PRSUs: These awards cliff vest three years from the grant date and contain a market condition whereby the number of PRSUs ultimately vesting is tied to how the Company's total shareholder return ("TSR") compares to a peer group of other publicly traded asset managers over the three-year period. A Monte Carlo simulation is used to value these awards.

The number of PRSUs vesting ranges from 0% to 200% of the target number of PRSUs granted, as follows:

- If the relative TSR is below the 25th percentile, then 0% of the target number of PRSUs granted will vest;
- If the relative TSR is at the 25th percentile, then 50% of the target number of PRSUs granted will vest; and
- If the relative TSR is above the 25th percentile, then linear scaling is applied such that the percent of the target number of PRSUs vesting is 100% at the 50th percentile and capped at 200% of the target number of PRSUs granted for performance at the 85th percentile (or 100th percentile for grants made during 2019 and 2020).
- If the Company's TSR is negative, the target number of PRSUs vesting is capped at 100% regardless of the relative TSR percentile.

Stock-based compensation expense was $2,454 and $7,822, respectively, during the three and nine months ended September 30, 2022, and $2,397 and $7,661, respectively, during the comparable periods in 2021.

A summary of unrecognized stock-based compensation expense and average remaining vesting period is as follows:

	September 30, 2022	
	Unrecognized Stock-Based Compensation	Average Remaining Vesting Period (Years)
Employees and directors	$ 15,109	1.63

A summary of stock-based compensation award activity (shares) during the three months ended September 30, 2022 is as follows:

	RSAs	RSUs	PRSUs
Balance at July 1, 2022	3,399,274	47,656	668,188
Granted	82,458	95,687	—
Exercised/vested	(19,210)	—	—
Forfeitures	(69,272)	(1,380)	—
Balance at September 30, 2022	3,393,250	141,963	668,188

18. Earnings Per Share

The following tables set forth reconciliations of the basic and diluted earnings per share computations for the periods presented:

	Three Months Ended September 30,		Nine Months Ended September 30,	
Basic Earnings per Share	2022	2021	2022	2021
Net income	$ 81,229	$ 5,833	$ 78,973	$ 38,610
Less: Income distributed to participating securities	(546)	(538)	(1,644)	(1,634)
Less: Undistributed income allocable to participating securities	(8,583)	(115)	(7,268)	(2,666)
Net income available to common stockholders—Basic EPS	$ 72,100	$ 5,180	$ 70,061	$ 34,310
Weighted average common shares (in thousands)	143,120	142,070	142,984	144,445
Basic earnings per share	$ 0.50	$ 0.04	$ 0.49	$ 0.24

Diluted Earnings per Share	Three Months Ended September 30, 2022	Three Months Ended September 30, 2021	Nine Months Ended September 30, 2022	Nine Months Ended September 30, 2021
Net income available to common stockholders	$ 72,100	$ 5,180	$ 70,061	$ 34,310
Add back: Undistributed income allocable to participating securities	8,583	115	7,268	2,666
Less: Reallocation of undistributed income allocable to participating securities considered potentially dilutive	(8,568)	(115)	(7,257)	(2,647)
Net income available to common stockholders—Diluted EPS	$ 72,115	$ 5,180	$ 70,072	$ 34,329
Weighted Average Diluted Shares (in thousands):				
Weighted average common shares	143,120	142,070	142,984	144,445
Dilutive effect of common stock equivalents, excluding participating securities	287	1,072	261	1,159
Weighted average diluted shares, excluding participating securities (in thousands)	143,407	143,142	143,245	145,604
Diluted earnings per share	$ 0.50	$ 0.04	$ 0.49	$ 0.24

Diluted earnings per share presented above is calculated using the two-class method as this method results in the lowest diluted earnings per share amount for common stock. Total antidilutive non-participating common stock equivalents were 483 and 410, respectively, during the three and nine months ended September 30, 2022, and 48 and 130, respectively, during the comparable periods in 2021 (shares herein are reported in thousands).

Potential common shares associated with the conversion option embedded in the Convertible Notes were excluded from the computation for the three and nine months ended September 30, 2022 as the Company's average stock price during those respective periods was lower than the conversion price. Potential common shares associated with the conversion option embedded in the Convertible Notes for the three and nine months ended September 30, 2021 were 1,042 and 1,140, respectively (shares herein are reported in thousands).

The following table reconciles weighted average diluted shares as reported in the Consolidated Statements of Operations for the three and nine months ended September 30, 2022 and 2021, which are determined pursuant to the treasury stock method, to the weighted average diluted shares used to calculate diluted earnings/(loss) per share as disclosed in the table above:

Reconciliation of Weighted Average Diluted Shares (in thousands)	Three Months Ended September 30, 2022	Three Months Ended September 30, 2021	Nine Months Ended September 30, 2022	Nine Months Ended September 30, 2021
Weighted average diluted shares as disclosed on the consolidated statements of operations	158,953	159,213	158,741	161,706
Less: Participating securities				
Weighted average shares of common stock issuable upon conversion of the Preferred Shares (Note 11)	(14,750)	(14,750)	(14,750)	(14,750)
Potentially dilutive restricted stock awards	(796)	(1,321)	(746)	(1,352)
Weighted average diluted shares used to calculate diluted earnings/(loss) per share as disclosed in the table above	143,407	143,142	143,245	145,604

19. Income Taxes

Effective Income Tax Rate – Three and nine months ended September 30, 2022

The Company's effective income tax rate during the three months ended September 30, 2022 of 3.9% resulted in income tax expense of $3,327. The effective income tax rate differs from the federal statutory tax rate of 21% primarily due a non-taxable gain on revaluation of deferred consideration. This was partly offset an increase in the deferred tax asset valuation allowance on losses recognized on securities owned.

The Company's effective income tax rate during the nine months ended September 30, 2022 of negative 15.7% resulted in an income tax benefit of $10,713. The effective income tax rate differs from the federal statutory tax rate of 21% primarily due to a $19,897 reduction in unrecognized tax benefits (including interest and penalties), a non-taxable gain on revaluation of deferred consideration and a lower tax rate on foreign earnings. These items were partly offset by an increase in the deferred tax asset valuation allowance on losses recognized on securities owned.

Effective Income Tax Rate – Three and nine months ended September 30, 2021

The Company's effective income tax rate during the three months ended September 30, 2021 of 7.9% resulted in income tax expense of $500. The effective income tax rate differs from the federal statutory tax rate of 21% primarily due to a lower tax rate on foreign earnings and a non-taxable gain on revaluation of deferred consideration, partly offset by higher non-deductible compensation.

The Company's effective income tax rate for the nine months ended September 30, 2021 of 6.7% resulted in income tax expense of $2,790. The effective income tax rate differs from the federal statutory rate of 21% primarily due to a $5,171 reduction in unrecognized tax benefits, a lower tax rate on foreign earnings and a non-taxable gain on revaluation of deferred consideration. These items were partly offset by tax shortfalls associated with the vesting and exercise of stock-based compensation and non-deductible executive compensation.

Deferred Tax Assets

A summary of the components of the Company's deferred tax assets at September 30, 2022 and December 31, 2021 are as follows:

	September 30, 2022	December 31, 2021
Deferred tax assets:		
Capital losses	$ 17,033	$ 16,601
Accrued expenses	4,228	4,993
Unrealized losses	3,938	614
NOLs—Foreign	1,607	1,934
Goodwill and intangible assets	1,133	1,276
Stock-based compensation	1,107	1,359
Interest carryforwards	321	437
NOLs—U.S.	255	382
Foreign currency translation adjustment	169	—
Outside basis differences	122	122
Other	354	376
Deferred tax assets	30,267	28,094
Deferred tax liabilities:		
Fixed assets and prepaid assets	422	257
Unremitted earnings—International subsidiaries	198	118
Foreign currency translation adjustment	—	181
Deferred tax liabilities	620	556
Total deferred tax assets less deferred tax liabilities	29,647	27,538
Less: Valuation allowance	(22,700)	(18,657)
Deferred tax assets, net	$ 6,947	$ 8,881

Net Operating and Capital Losses—U.S.

The Company's tax effected net operating losses ("NOLs") at September 30, 2022 were $255, which expire in 2024. The net operating loss carryforwards have been reduced by the impact of annual limitations described in the Internal Revenue Code Section 382 that arose as a result of an ownership change.

The Company's tax effected capital losses at September 30, 2022 were $17,033. These capital losses expire between the years 2023 and 2027.

Net Operating Losses—International

One of the Company's European subsidiaries generated NOLs outside the U.S. These tax effected NOLs, all of which are carried forward indefinitely, were $1,607 at September 30, 2022.

Valuation Allowance

The Company's valuation allowance has been established on its net capital losses, international net operating losses, unrealized losses and outside basis differences, as it is more-likely-than-not that these deferred tax assets will not be realized.

Uncertain Tax Positions

Tax positions are evaluated utilizing a two-step process. The Company first determines whether any of its tax positions are more-likely-than-not to be sustained upon examination, based solely on the technical merits of the position. Once it is determined that a position meets this recognition threshold, the position is measured as the largest amount of benefit that is greater than 50% likely of being realized upon ultimate settlement.

In connection with the ETFS Acquisition, the Company accrued a liability for uncertain tax positions and interest and penalties at the acquisition date. The Company also recorded an offsetting indemnification asset provided by ETFS Capital as part of its agreement to indemnify the Company for any potential claims. The table below sets forth the aggregate changes in the balance of these gross unrecognized tax benefits:

	Total	Unrecognized Tax Benefits	Interest and Penalties
Balance on January 1, 2022	$ 21,925	$ 18,218	$ 3,707
Decrease—Settlements[1]	(13,052)	(11,865)	(1,187)
Decrease—Lapse of statute of limitations[1]	(6,845)	(4,825)	(2,020)
Increases	7	—	7
Foreign currency translation[2]	(583)	(485)	(98)
Balance at March 31, 2022	$ 1,452	$ 1,043	$ 409
Increases	7	—	7
Foreign currency translation[2]	(108)	(78)	(30)
Balance at June 30, 2022	$ 1,351	$ 965	$ 386
Increases	6	—	6
Foreign currency translation[2]	(137)	(98)	(39)
Balance at September 30, 2022	$ 1,220	$ 867	$ 353

(1) In January 2022, an audit of ManJer's tax returns (a Jersey-based subsidiary) for the years ended December 31, 2014, 2016, 2017 and 2018 were resolved in favor of ManJer. The settlement, as well as the reduction in unrecognized tax benefits from the lapse of the statute of limitations totaling $19,897 during the three months ended March 31, 2022, was recorded as an income tax benefit with an equal and offsetting amount recorded in other losses, net, to recognize a reduction in the indemnification asset. During the three months ended March 31, 2021, an income tax benefit of $5,171 was recorded along with an equal and offsetting amount in other losses, net.

(2) The gross unrecognized tax benefits were accrued in British pounds.

The gross unrecognized tax benefits and interest and penalties totaling $1,220 at September 30, 2022 are included in other non-current liabilities in the Consolidated Balance Sheets. It is reasonably possible that these unrecognized tax benefits will reduce to zero in the next 12 months upon lapsing of the statute of limitations. If recognized, these unrecognized tax benefits would impact the effective tax rate. The recognition of any unrecognized tax benefits would result in an equal and offsetting adjustment to the indemnification asset which would be recorded in income before taxes due to the indemnity for any potential claims.

Income Tax Examinations

The Company is subject to U.S. federal income tax as well as income tax of multiple state, local and certain foreign jurisdictions. As of September 30, 2022, with few exceptions, the Company was no longer subject to income tax examinations by any taxing authority for the years before 2017.

ManJer's tax returns (a Jersey-based subsidiary) were previously under review for the years ended December 31, 2014, 2016, 2017 and 2018. In January 2022, the audit was resolved in favor of ManJer. In addition, the Company's tax returns were previously under review by the State of Michigan for the years ended 2017 through 2020. In August 2022, the audit was resolved in favor of the Company.

Undistributed Earnings of Foreign Subsidiaries

ASC 740-30, Income Taxes, provides guidance that US companies do not need to recognize tax effects on foreign earnings that are indefinitely reinvested. The Company repatriates earnings of its foreign subsidiaries and therefore has recognized a deferred tax liability of $198 and $118 at September 30, 2022 and December 31, 2021, respectively.

20. Shares Repurchased

On February 22, 2022, the Company's board of directors approved an increase of $85,709 to the Company's share repurchase program to $100,000 and extended the term for three years through April 27, 2025. Included under the Company's share repurchase program are purchases to offset future equity grants made under the Company's equity plans and purchases made in open market or privately negotiated transactions. This authority may be exercised from time to time, subject to regulatory considerations. The timing and actual number of shares repurchased will depend on a variety of factors including price, corporate and regulatory requirements, market conditions and other corporate liquidity requirements and priorities. The repurchase program may be suspended or terminated at any time without prior notice. Shares repurchased under this program are returned to the status of authorized and unissued on the Company's books and records.

During the three and nine months ended September 30, 2022, the Company repurchased 4,567 and 593,261 shares of its common stock, respectively, for aggregate consideration of $24 and $3,418, respectively.

During the three and nine months ended September 30, 2021, the Company repurchased zero shares and 5,120,496 shares of its common stock, respectively for aggregate consideration of zero and $34,506, respectively.

Shares repurchased under this program were returned to the status of authorized and unissued on the Company's books and records.

As of September 30, 2022, $99,976 remained under this program for future purchases.

21. Goodwill and Intangible Assets

Goodwill

The table below sets forth goodwill which is tested annually for impairment on November 30th:

	Total
Balance at January 1, 2022	$ 85,856
Changes	—
Balance at September 30, 2022	$ 85,856

Goodwill arising from the ETFS Acquisition of $84,057 is not deductible for tax purposes as the acquisition was structured as a stock acquisition occurring in the United Kingdom. The remainder of the goodwill is deductible for U.S. tax purposes.

Intangible Assets

Item	Gross Asset	Accumulated Amortization	Net Asset
ETFS acquisition	$ 601,247	$ —	$ 601,247
Software development	1,958	(1)	1,957
Balance at September 30, 2022	$ 603,205	$ (1)	$ 603,204

ETFS Acquisition (Indefinite-Lived)

In connection with the ETFS Acquisition, which was completed on April 11, 2018, the Company identified intangible assets valued at $601,247 related to the right to manage AUM through customary advisory agreements. These intangible assets were determined to have indefinite useful lives and are not deductible for tax purposes. The Company's tests these indefinite-lived intangible assets annually for impairment on November 30th.

Software Development (Finite-Lived)

Internally-developed software is amortized over a useful life of three years. During the three and nine months ended September 30, 2022, the Company recognized amortization expense on internally-developed software of $1.

As of September 30, 2022, expected amortization expense for the unamortized finite-lived intangible assets for the next five years and thereafter is as follows:

Remainder of 2022	$ 57
2023	653
2024	653
2025	594
2026	—
2027 and thereafter	—
Total expected amortization expense	$ 1,957

The weighted-average remaining useful life of the finite-lived intangible assets is 3.0 years.

22. Contingent Payments

AdvisorEngine – Sale of Financial Interests

On May 4, 2020, the Company closed a transaction to exit its investment in AdvisorEngine Inc. The fair value of upfront consideration paid to the Company was $9,592. Consideration also included contingent payments totaling up to $10,408 which will be payable only upon AdvisorEngine achieving certain revenue milestones during the first through fourth anniversaries of such exit. No value has been ascribed to these contingent payments at September 30, 2022 and December 31, 2021 and no contingent payments were received during the three and nine months ended September 30, 2022 and 2021.

Sale of Canadian ETF Business

On February 19, 2020, the Company completed the sale of all the outstanding shares of WisdomTree Asset Management Canada, Inc., the operating entity of the Company's prior Canadian ETF business, to CI Financial Corp. The Company received CDN $3,720 (USD $2,774) in cash at closing and was paid CDN $3,000 (USD $2,360) of additional cash consideration based upon the achievement of certain AUM growth targets as determined during the 18-month anniversary of the closing date.

The Company may receive additional cash consideration of CDN $0 to $4,000 depending on the achievement of certain AUM growth targets as determined on the 36-month anniversary of the closing date. No value has been ascribed to these contingent payments at September 30, 2022 and December 31, 2021 and no contingent payments were received during the three and nine months ended September 30, 2022 and 2021.

23. Impairments

The following table summarizes impairments recognized by the Company:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Lease termination—New York office (Note 12)	$ —	$ 9,277	$ —	$ 9,277
Fixed assets—New York office (Note 8)	—	6,576	—	6,576
Lease termination—London office (Note 12)	—	—	—	303
Total	$ —	$ 15,853	$ —	$ 16,156

24. Subsequent Events

The Company evaluated subsequent events through the date of issuance of the accompanying consolidated financial statements. There were no events requiring disclosure.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis of our financial condition and results of operations should be read together with our consolidated financial statements and the related notes and the other financial information included elsewhere in this Report. In addition to historical consolidated financial information, the following discussion contains forward-looking statements that reflect our plans, estimates and beliefs. Our actual results could differ materially from those discussed in the forward-looking statements. Factors that could cause or contribute to these differences include those discussed below. For a more complete description of the risks noted above and other risks that could cause our actual results to materially differ from our current expectations, please see Item 1A "Risk Factors" in our Annual Report on Form 10-K for the fiscal year ended December 31, 2021, as amended, and Quarterly Report on Form 10-Q for the quarter ended June 30, 2022. We assume no obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise, unless required by law.

Executive Summary

Introduction

We are an asset management company in the business of offering transparent financial exposures to our clients and are a leading global ETP sponsor based on assets under management, or AUM, with AUM of $70.9 billion as of September 30, 2022. More recently, we have been positioning ourselves to expand beyond our existing ETP business by leveraging blockchain technology, digital assets and principles of decentralized finance, or DeFi, to deliver transparency, choice and inclusivity to customers and consumers around the world.

Our family of ETPs includes providing exposure to equities, commodities, fixed income, leveraged and inverse, currency, cryptocurrency and alternative strategies. We have launched many first-to-market products and pioneered alternative weighting we call "Modern Alpha," which combines the outperformance potential of active management with the benefits of passive management to offer investors cost-effective funds that are built to perform. Most of our 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. These 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 our sales force.

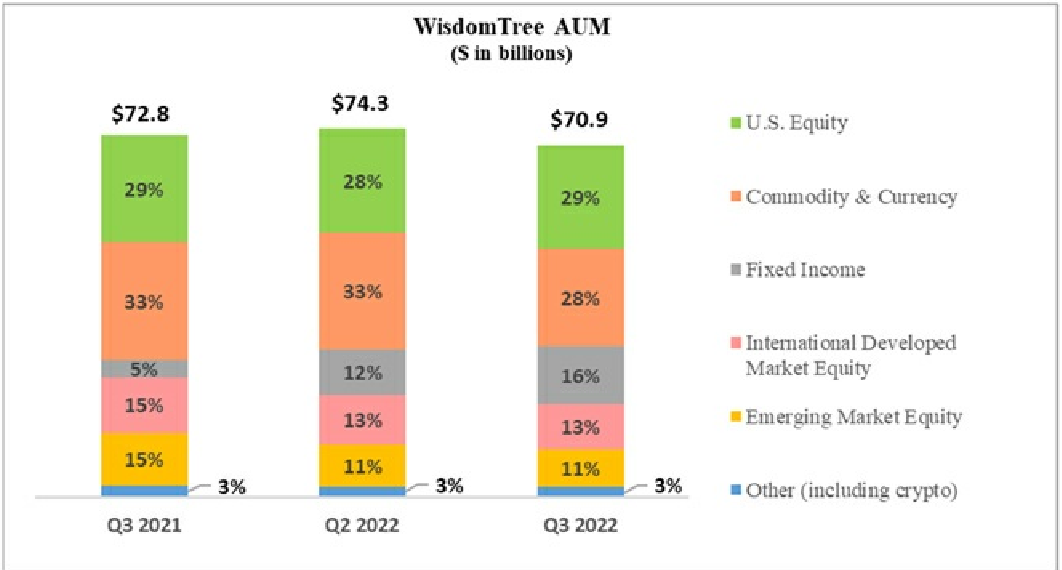
We are at the forefront of innovation and have differentiated ourselves through continued investments in technology-enabled and research-driven solutions such as our Advisor Solutions program, which includes portfolio construction, asset allocation, practice management services and digital tools for financial advisors. We seek to usher in the next chapter of financial services by introducing new revenue streams and expanding our offerings to include a new financial services mobile application, branded WisdomTree Prime™, a digital wallet that is native to the blockchain and being developed for saving, spending and investing in both native crypto assets and tokenized versions of mainstream financial assets (e.g., blockchain enabled investment funds). We also are planning to launch asset- and fund-tokenization products beginning with a dollar token, gold token and digital short term treasury fund which will be available on multiple public and permissioned blockchains, leveraging federal and state regulated entities. As we pursue our digital assets strategy, we are embracing a concept we refer to as "responsible DeFi," which we believe upholds the foundational principles of regulation in this innovative and quickly evolving space.

We were incorporated under the laws of the state of Delaware on September 19, 1985 as Financial Data Systems, Inc. and ultimately renamed WisdomTree Investments, Inc. on September 6, 2005.

Assets Under Management

WisdomTree ETPs

We offer ETPs covering equity, commodity, fixed income, leveraged and inverse, currency, cryptocurrency and alternative strategies. The chart below sets forth the asset mix of our ETPs at September 30, 2021, June 30, 2022 and September 30, 2022:



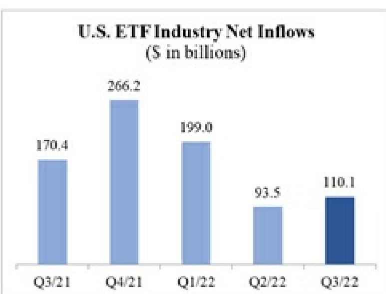
Market Environment

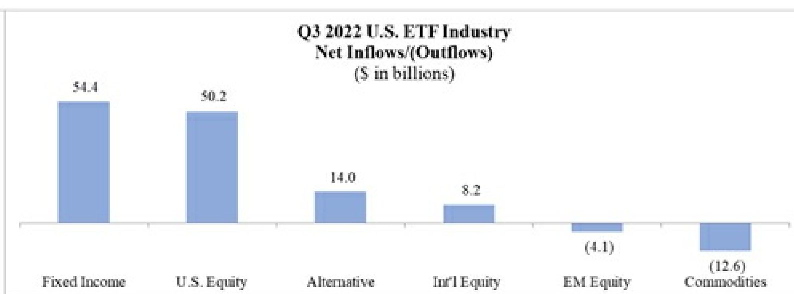
The third quarter of 2022 saw a continuation of the significant market volatility that has dominated much of 2022. Investors remained worried about high inflation, slowing growth and the rising probability of recession and as a result, broad-based equity markets dropped into bear market territory. Gold prices decreased as the dollar and Treasury yields increased amid expectations for aggressive monetary policy tightening by major central banks.

The S&P 500, MSCI EAFE (local currency), MSCI Emerging Markets Index (U.S. dollar) and gold prices decreased by 4.9%, 3.5%, 11.4% and 8.0%, respectively, during the quarter. In addition, the European and Japanese equities markets both depreciated with the MSCI EMU Index and MSCI Japan Index decreasing 4.5% and 1.5%, respectively, in local currency terms for the quarter. Also, the U.S. dollar rose 7.2%, 10.1% and 5.6% versus the euro, British pound and the Japanese yen, respectively, the during the quarter.

U.S. Listed ETF Industry Flows

U.S. listed ETF industry net flows for the three months ended September 30, 2022 were $110.1 billion. Fixed income and U.S. Equity gathered the majority of those flows.

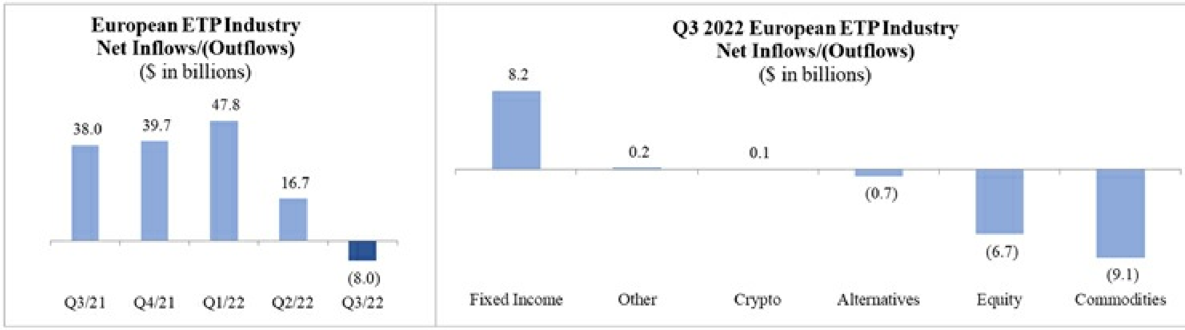




Source: Morningstar

European Listed ETP Industry Flows

European listed ETP industry net flows were ($8.0) billion for the three months ended September 30, 2022. Equities and commodities contributed to most of the outflows, partially offset by inflows into fixed income.



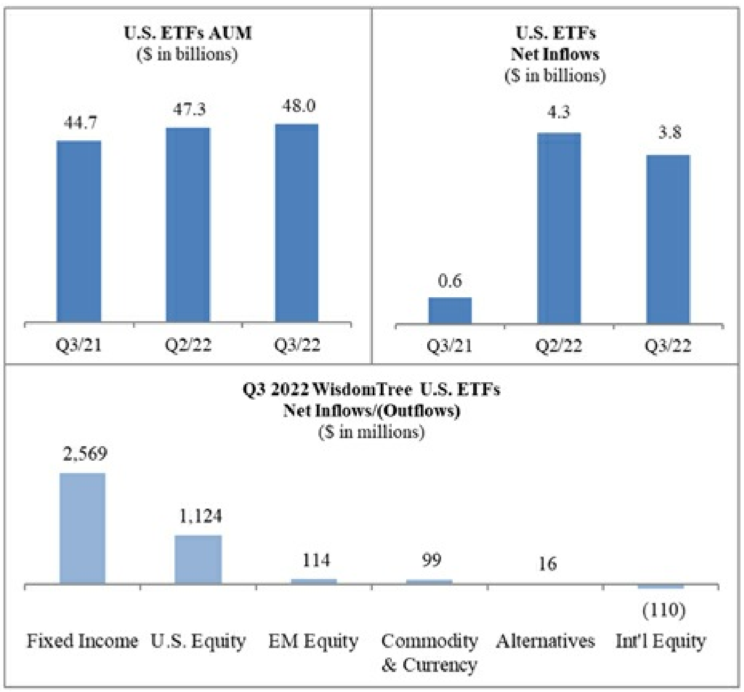
Source: Morningstar

Our Operating and Financial Results

We operate as an ETP sponsor and asset manager providing investment advisory services globally through our subsidiaries in the United States and Europe.

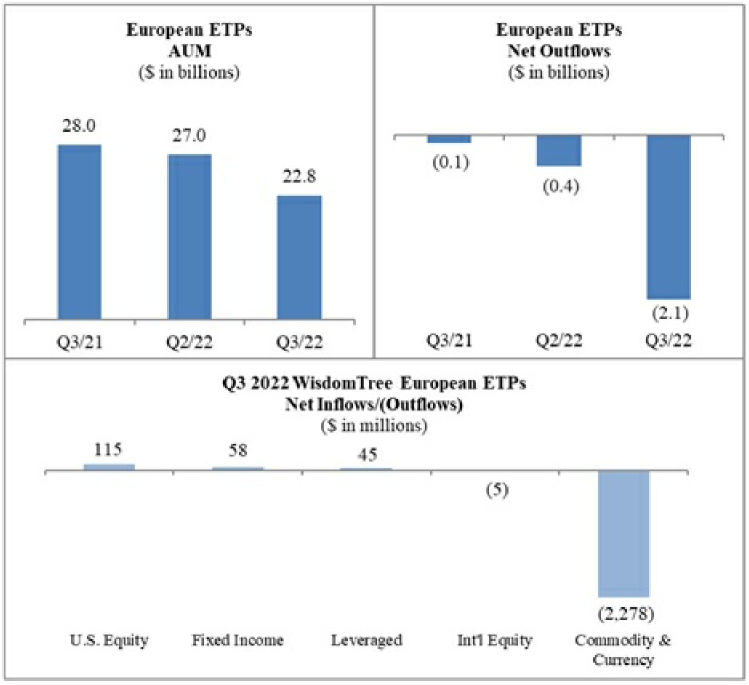
U.S. Listed ETFs

Our U.S. listed ETFs' AUM increased from $47.3 billion at June 30, 2022 to $48.0 billion at September 30, 2022 due to net inflows, partly offset by market depreciation.



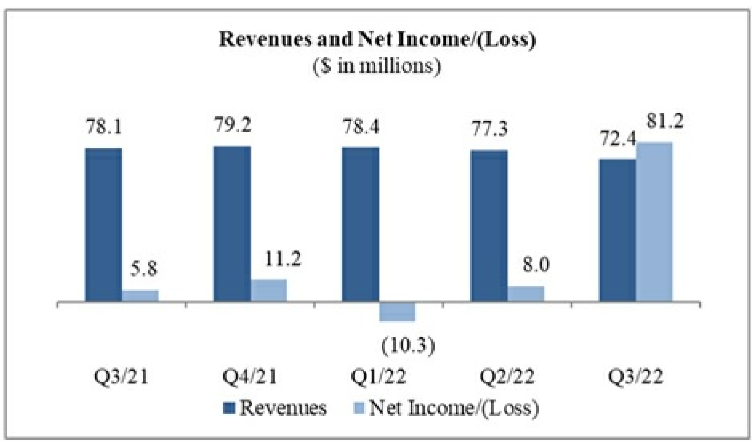
European Listed ETPs

Our European listed ETPs' AUM decreased from $27.0 billion at June 30, 2022 to $22.8 billion at September 30, 2022 due to market depreciation and net outflows.



Consolidated Operating Results

The following table sets forth our revenues and net income/(loss) for the most recent five quarters.



- *Revenues* – We recorded operating revenues of $72.4 million during the three months ended September 30, 2022, down 7.3% from the three months ended September 30, 2021 due to a lower average advisory fee.
- *Operating Expenses* – Total operating expenses increased 6.7% from the three months ended September 30, 2021 to $57.5 million primarily due to higher incentive compensation and headcount, fund management and administration costs, professional fees incurred in connection with our digital assets initiative and other expenses, partly offset by lower sales and business development expenses, occupancy expenses, contractual gold payments and depreciation and amortization expenses.
- *Other Income/(Expenses)* – Other income/(expenses) includes interest income and interest expense, gains on revaluation of deferred consideration—gold payments, impairments and other net losses. For the three months ended September 30, 2022 and 2021, the gains on revaluation of deferred consideration—gold payments were $77.9 million and $1.7 million, respectively. In addition, during the three months ended September 30, 2022 we recognized losses on our securities owned and investments of $6.3 million.
- *Net income* – We reported net income of $81.2 million during the three months ended September 30, 2022, compared to net income of $5.8 million during the three months ended September 30, 2021. The change in net income was primarily due to the gain on revaluation of deferred consideration—gold payments.

Expense Guidance Update for the Year Ending December 31, 2022

Compensation Expense

Our compensation expense for the year ending December 31, 2022 is currently estimated to range from $96.0 million to $99.0 million (unchanged from the three months ended June 30, 2022).

Discretionary Spending

Discretionary spending includes marketing, sales, professional fees, occupancy and equipment, depreciation and amortization and other expenses. We currently estimate our discretionary spending for the year ending December 31, 2022 to range from $50.0 million to $51.0 million (previously $51.0 million to $53.0 million).

Not included in the guidance above are non-recurring expenses of $4.5 million incurred during the six months ended June 30, 2022 in response to an activist campaign. We do not anticipate any significant activist campaign expenses during the remainder of 2022.

Gross Margin

We define gross margin as total operating revenues less fund management and administration expenses. Gross margin percentage is calculated as gross margin divided by total operating revenues. At current AUM and flow levels, we estimate our gross margin percentage will be 78% to 79% for the year ending December 31, 2022 (previously 79%).

Contractual Gold Payments

We currently estimate our contractual gold payments expense for the year ending December 31, 2022 to be approximately $17.0 million (unchanged from the three months ended June 30, 2022) taking into consideration current gold prices.

Third-Party Distribution Expense

We currently estimate third-party distribution expense to be approximately $8.0 million (previously $8.5 million) as recent market volatility has suppressed AUM growth on our third-party platforms.

Income Tax Expense

We currently estimate that our consolidated normalized effective tax rate will be 22% for the year ending December 31, 2022 (previously 21% to 22%). This estimated rate may change and is dependent upon our actual taxable income earned in relation to our forecasts as well as any other items that may arise that are not currently forecasted. Such items may include, but are not limited to, any revaluation on deferred consideration—gold payments, reductions in unrecognized tax benefits and any stock-based compensation windfalls or shortfalls.

Key Operating Statistics

The following table presents key operating statistics that serve as indicators for the performance of our business:

	Three Months Ended			Nine Months Ended	
	September 30, 2022	June 30, 2022	September 30, 2021	September 30, 2022	September 30, 2021
GLOBAL ETPs (in millions)					
Beginning of period assets	$ 74,292	$ 79,384	$ 73,918	$ 77,450	$ 67,365
Inflows/(outflows)	1,747	3,852	548	6,918	2,758
Market (depreciation)/appreciation	(5,162)	(8,940)	(1,711)	(13,487)	2,636
Fund closures	—	(4)	—	(4)	(4)
End of period assets	$ 70,877	$ 74,292	$ 72,755	$ 70,877	$ 72,755
Average assets during the period	$ 74,681	$ 77,735	$ 74,527	$ 76,735	$ 72,559
Average ETP advisory fee during the period	0.38%	0.39%	0.41%	0.39%	0.41%
Revenue days	92	91	92	273	273
Number of ETPs—end of period	347	344	322	347	322
U.S. LISTED ETFs (in millions)					
Beginning of period assets	$ 47,255	$ 48,622	$ 45,129	$ 48,210	$ 38,517
Inflows/(outflows)	3,812	4,278	612	10,340	3,085
Market (depreciation)/appreciation	(3,024)	(5,645)	(999)	(10,507)	3,140
End of period assets	$ 48,043	$ 47,255	$ 44,742	$ 48,043	$ 44,742
Average assets during the period	$ 49,473	$ 48,278	$ 45,507	$ 48,418	$ 43,465
Number of ETFs—end of the period	78	77	73	78	73
EUROPEAN LISTED ETPs (in millions)					
Beginning of period assets	$ 27,037	$ 30,762	$ 28,789	$ 29,240	$ 28,848
(Outflows)/inflows	(2,065)	(426)	(64)	(3,422)	(327)
Market (depreciation)/appreciation	(2,138)	(3,295)	(712)	(2,980)	(504)
Fund closures	—	(4)	—	(4)	(4)
End of period assets	$ 22,834	$ 27,037	$ 28,013	$ 22,834	$ 28,013
Average assets during the period	$ 25,208	$ 29,457	$ 29,020	$ 28,317	$ 29,094
Number of ETPs—end of period	269	267	249	269	249
PRODUCT CATEGORIES (in millions)					
U.S. Equity					
Beginning of period assets	$ 21,058	$ 23,738	$ 21,285	$ 23,860	$ 18,367
Inflows/(outflows)	1,239	306	351	2,324	760
Market (depreciation)/appreciation	(1,344)	(2,986)	(253)	(5,231)	2,256
End of period assets	$ 20,953	$ 21,058	$ 21,383	$ 20,953	$ 21,383
Average assets during the period	$ 22,540	$ 22,370	$ 21,792	$ 22,683	$ 20,698
Commodity & Currency					
Beginning of period assets	$ 23,625	$ 26,302	$ 24,772	$ 24,598	$ 25,878
(Outflows)/inflows	(2,179)	(475)	(249)	(3,707)	(1,228)
Market (depreciation)/appreciation	(1,885)	(2,202)	(698)	(1,330)	(825)
End of period assets	$ 19,561	$ 23,625	$ 23,825	$ 19,561	$ 23,825
Average assets during the period	$ 21,628	$ 25,771	$ 24,850	$ 24,429	$ 25,230
Fixed Income					
Beginning of period assets	$ 9,191	$ 5,416	$ 3,435	$ 4,351	$ 3,305
Inflows/(outflows)	2,627	4,038	115	7,907	293
Market (depreciation)/appreciation	(124)	(263)	(26)	(564)	(74)
End of period assets	$ 11,694	$ 9,191	$ 3,524	$ 11,694	$ 3,524
Average assets during the period	$ 10,077	$ 7,424	$ 3,496	$ 7,396	$ 3,352

	Three Months Ended			Nine Months Ended	
	September 30, 2022	June 30, 2022	September 30, 2021	September 30, 2022	September 30, 2021
International Developed Market Equity					
Beginning of period assets	$ 9,958	$ 11,401	$ 10,772	$ 11,870	$ 9,392
(Outflows)/inflows	(115)	79	404	61	820
Market (depreciation)/appreciation	(661)	(1,522)	(17)	(2,749)	947
End of period assets	$ 9,182	$ 9,958	$ 11,159	$ 9,182	$ 11,159
Average assets during the period	$ 10,027	$ 10,682	$ 11,126	$ 10,744	$ 10,469
Emerging Market Equity					
Beginning of period assets	$ 8,386	$ 9,991	$ 11,519	$ 10,375	$ 8,539
Inflows/(outflows)	114	(223)	(149)	80	2,044
Market (depreciation)/appreciation	(1,005)	(1,382)	(704)	(2,960)	83
End of period assets	$ 7,495	$ 8,386	$ 10,666	$ 7,495	$ 10,666
Average assets during the period	$ 8,329	$ 9,155	$ 11,038	$ 9,200	$ 10,642
Leveraged & Inverse					
Beginning of period assets	$ 1,618	$ 1,856	$ 1,691	$ 1,775	$ 1,475
Inflows/(outflows)	45	90	41	133	34
Market (depreciation)/appreciation	(140)	(328)	(69)	(385)	154
End of period assets	$ 1,523	$ 1,618	$ 1,663	$ 1,523	$ 1,663
Average assets during the period	$ 1,589	$ 1,765	$ 1,715	$ 1,728	$ 1,644
Alternatives					
Beginning of period assets	$ 305	$ 293	$ 198	$ 261	$ 215
Inflows/(outflows)	16	34	22	79	(17)
Market (depreciation)/appreciation	(15)	(22)	2	(34)	24
End of period assets	$ 306	$ 305	$ 222	$ 306	$ 222
Average assets during the period	$ 313	$ 299	$ 214	$ 296	$ 223
Cryptocurrency					
Beginning of period assets	$ 151	$ 383	$ 229	$ 357	$ 168
Inflows/(outflows)	—	3	12	40	56
Market appreciation/(depreciation)	12	(235)	54	(234)	71
End of period assets	$ 163	$ 151	$ 295	$ 163	$ 295
Average assets during the period	$ 178	$ 265	$ 277	$ 256	$ 280
Closed ETPs					
Beginning of period assets	$ —	$ 4	$ 17	$ 3	$ 26
Inflows/(outflows)	—	—	1	1	(4)
Fund closures	—	(4)	—	(4)	(4)
End of period assets	$ —	$ —	$ 18	$ —	$ 18
Average assets during the period	$ —	$ 4	$ 19	$ 3	$ 21
Headcount:	274	264	235	274	235

Note: Previously issued statistics may be restated due to fund closures and trade adjustments
Source: WisdomTree

Three Months Ended September 30, 2022 Compared to Three Months Ended September 30, 2021

Selected Operating and Financial Information

AUM (in millions)	Three Months Ended September 30, 2022	2021	Change	Percent Change
Average AUM	$ 74,681	$ 74,527	$ 154	0.2%
Operating Revenues (in thousands)				
Advisory fees	$ 70,616	$ 76,400	$ (5,784)	(7.6%)
Other income	1,798	1,712	86	5.0%
Total revenues	$ 72,414	$ 78,112	$ (5,698)	(7.3%)

Average AUM

Our average AUM was essentially unchanged from the three months ended September 30, 2021.

Operating Revenues

Advisory fees

Advisory fee revenues decreased 7.6% from $76.4 million during the three months ended September 30, 2021 to $70.6 million in the comparable period in 2022 due to a lower average advisory fee. Our average advisory fee was 0.38% during the three months ended September 30, 2022 and 0.41% during the same period in 2021.

Other income

Other income increased 5.0% from $1.7 million during the three months ended September 30, 2021 to $1.8 million in the comparable period in 2022 primarily due to higher fees associated with our European listed products.

Operating Expenses

(in thousands)	Three Months Ended September 30, 2022	2021	Change	Percent Change
Compensation and benefits	$ 23,714	$ 22,027	$ 1,687	7.7%
Fund management and administration	16,285	15,181	1,104	7.3%
Marketing and advertising	3,145	2,925	220	7.5%
Sales and business development	2,724	2,935	(211)	(7.2%)
Contractual gold payments	4,105	4,250	(145)	(3.4%)
Professional fees	2,367	1,583	784	49.5%
Occupancy, communications and equipment	986	1,163	(177)	(15.2%)
Depreciation and amortization	58	185	(127)	(68.6%)
Third-party distribution fees	1,833	1,873	(40)	(2.1%)
Other	2,324	1,787	537	30.1%
Total operating expenses	$ 57,541	$ 53,909	$ 3,632	6.7%

As a Percent of Revenues:	Three Months Ended September 30, 2022	2021
Compensation and benefits	32.7%	28.3%
Fund management and administration	22.5%	19.4%
Marketing and advertising	4.3%	3.7%
Sales and business development	3.8%	3.8%
Contractual gold payments	5.7%	5.4%
Professional fees	3.3%	2.0%
Occupancy, communications and equipment	1.4%	1.5%
Depreciation and amortization	0.1%	0.2%
Third-party distribution fees	2.5%	2.4%
Other	3.2%	2.3%
Total operating expenses	79.5%	69.0%

Compensation and benefits

Compensation and benefits expense increased 7.7% from $22.0 million during the three months ended September 30, 2021 to $23.7 million in the comparable period in 2022 due to higher incentive compensation and headcount. Headcount was 235 and 274 at September 30, 2021 and 2022, respectively.

Fund management and administration

Fund management and administration expense increased 7.3% from $15.2 million during the three months ended September 30, 2021 to $16.3 million in the comparable period in 2022 due to higher AUM and transaction fees associated with our U.S. listed products, partly offset by lower European-listed AUM.

Marketing and advertising

Marketing and advertising expense increased 7.5% from $2.9 million during the three months ended September 30, 2021 to $3.1 million in the comparable period in 2022 primarily due to higher spending on online and television marketing campaigns.

Sales and business development

Sales and business development expense decreased 7.2% from $2.9 million during the three months ended September 30, 2021 to $2.7 million in the comparable period in 2022 primarily due to lower spending on sales tools.

Contractual gold payments

Contractual gold payments expense decreased 3.4% from $4.3 million during the three months ended September 30, 2021 to $4.1 million in the comparable period in 2022. This expense was associated with the payment of 2,375 ounces of gold and was calculated using the average daily spot price of $1,789 and $1,728 per ounce during the three months ended September 30, 2021 and 2022, respectively.

Professional fees

Professional fees increased 49.5% from $1.6 million during the three months ended September 30, 2021 to $2.4 million in the comparable period in 2022 due to spending related to our digital assets initiative.

Occupancy, communications and equipment

Occupancy, communications and equipment expense decreased 15.2% from $1.2 million during the three months ended September 30, 2021 to $1.0 million in the comparable period in 2022 due to our reduced office footprint.

Depreciation and amortization

Depreciation and amortization expense decreased 68.6% from $0.2 million during the three months ended September 30, 2021 to $0.1 million in the comparable period in 2022 due to lower spending on fixed assets.

Third-party distribution fees

Third-party distribution fees decreased 2.1% from $1.9 million during the three months ended September 30, 2021 to $1.8 million in the comparable period in 2022 primarily due to lower fees paid to our third-party marketing agent in Latin America, partly offset by new platform relationships in Europe.

Other

Other expenses increased 30.1% from $1.8 million during the three months ended September 30, 2021 to $2.3 million in the comparable period in 2022 due to higher insurance costs and other miscellaneous items.

Other Income/(Expenses)

(in thousands)	Three Months Ended September 30, 2022	Three Months Ended September 30, 2021	Change	Percent Change
Interest expense	$ (3,734)	$ (3,729)	$ (5)	0.1%
Gain on revaluation of deferred consideration—gold payments	77,895	1,737	76,158	4,384.5%
Interest income	811	689	122	17.7%
Impairments	—	(15,853)	15,853	(100%)
Other losses, net	(5,289)	(714)	(4,575)	640.8%
Total other income/(expenses), net	$ 69,683	$ (17,870)	$ 87,553	(489.9%)

As a Percent of Revenues:	Three Months Ended September 30, 2022	Three Months Ended September 30, 2021
Interest expense	(5.2%)	(4.8%)
Gain on revaluation of deferred consideration—gold payments	107.6%	2.2%
Interest income	1.1%	0.9%
Impairments	—	(20.3%)
Other losses, net	(7.3%)	(0.9%)
Total other income/(expenses), net	96.2%	(22.9%)

Interest expense

Interest expense was essentially unchanged from the three months ended September 30, 2021. Our effective interest rate was 4.6% during the three months ended September 30, 2021 and 2022.

Gain on revaluation of deferred consideration

We recognized a non-cash gain on revaluation of deferred consideration of $1.7 million and $77.9 million during the three months ended September 30, 2021 and 2022, respectively. The gain in the current quarter arose primarily from an increase in the discount rate (from 9.0% to 12.3%) used to compute the present value of the annual payment obligations as well as lower spot gold prices. The magnitude of any gain or loss is highly correlated to changes in the discount rate and the magnitude of the change in the forward-looking price of gold.

Interest income

Interest income increased 17.7% from $0.7 million during the three months ended September 30, 2021 to $0.8 million in the comparable period in 2022 due to an increase in securities owned.

Impairments

During the three months ended September 30, 2021, we recognized a loss of approximately $15.8 million upon exiting our New York office, which is included in impairments in our Consolidated Statements of Operations. There were no impairment charges during the three months ended September 30, 2022.

Other losses, net

Other losses, net were ($0.7) million and ($5.3) million during the three months ended September 30, 2021 and 2022, respectively. During the three months ended September 30, 2022, we recognized losses on our securities owned and investments of $6.3 million.

Gains and losses also generally arise from the sale of gold earned from management fees paid by our physically-backed gold ETPs, foreign exchange fluctuations and other miscellaneous items.

Income taxes

Our effective income tax rate for the three months ended September 30, 2022 of 3.9% resulted in an income tax expense of $3.3 million. Our tax rate differs from the federal statutory rate of 21% primarily due to a non-taxable gain on revaluation of deferred consideration. This was partly offset by an increase in the deferred tax asset valuation allowance on losses recognized on securities owned.

Our effective income tax rate for the three months ended September 30, 2021 of 7.9% resulted in income tax expense of $0.5 million. Our effective income tax rate differs from the federal statutory tax rate of 21% primarily due to a lower tax rate on foreign earnings and a non-taxable gain on revaluation of deferred consideration, partly offset by higher non-deductible compensation.

Nine Months Ended September 30, 2022 Compared to Nine Months Ended September 30, 2021

Selected Operating and Financial Information

	Nine Months Ended September 30,			
	2022	**2021**	**Change**	**Percent Change**
Global AUM (in millions)				
Average global AUM	$ 76,735	$ 72,559	$ 4,176	5.8%
Revenues (in thousands)				
Advisory fees	$ 222,719	$ 220,611	$ 2,108	1.0%
Other income	5,316	4,532	784	17.3%
Total revenues	$ 228,035	$ 225,143	$ 2,892	1.3%

Average Global AUM

Our average global AUM increased 5.8% from $72.6 billion at September 30, 2021 to $76.7 billion at September 30, 2022 due to net inflows, partly offset by market depreciation.

Operating Revenues

Advisory fees

Advisory fee revenues were essentially unchanged from the nine months ended September 30, 2021. Our average global advisory fee was 0.41% and 0.39% during the nine months ended September 30, 2021 and September 30, 2022, respectively.

Other income

Other income increased 17.3% from $4.5 million during the nine months ended September 30, 2021 to $5.3 million in the comparable period in 2022 primarily due to higher fees associated with our European listed products.

Operating Expenses

	Nine Months Ended September 30,			
(in thousands)	**2022**	**2021**	**Change**	**Percent Change**
Compensation and benefits	$ 73,066	$ 64,985	$ 8,081	12.4%
Fund management and administration	47,855	43,495	4,360	10.0%
Marketing and advertising	11,062	9,525	1,537	16.1%
Sales and business development	8,464	7,239	1,225	16.9%
Contractual gold payments	13,001	12,834	167	1.3%
Professional fees	11,134	5,517	5,617	101.8%
Occupancy, communications and equipment	2,788	3,904	(1,116)	(28.6%)
Depreciation and amortization	158	693	(535)	(77.2%)
Third-party distribution fees	5,863	5,346	517	9.7%
Other	6,278	5,110	1,168	22.9%
Total operating expenses	$ 179,669	$ 158,648	$ 21,021	13.3%

As a Percent of Revenues:	Nine Months Ended September 30, 2022	2021
Compensation and benefits	31.9%	28.9%
Fund management and administration	21.0%	19.3%
Marketing and advertising	4.9%	4.2%
Sales and business development	3.7%	3.2%
Contractual gold payments	5.7%	5.7%
Professional fees	4.9%	2.5%
Occupancy, communications and equipment	1.2%	1.7%
Depreciation and amortization	0.1%	0.3%
Third-party distribution fees	2.6%	2.4%
Other	2.8%	2.3%
Total operating expenses	78.8%	70.5%

Compensation and benefits

Compensation and benefits expense increased 12.4% from $65.0 million during the nine months ended September 30, 2021 to $73.1 million in the comparable period in 2022 due to higher incentive compensation and headcount.

Fund management and administration

Fund management and administration expense increased 10.0% from $43.5 million during the nine months ended September 30, 2021 to $47.9 million in the comparable period in 2022 primarily due to higher average global AUM.

Marketing and advertising

Marketing and advertising expense increased 16.1% from $9.5 million during the nine months ended September 30, 2021 to $11.1 million in the comparable period in 2022 due to higher spending on online and television marketing campaigns.

Sales and business development

Sales and business development expense increased 16.9% from $7.2 million during the nine months ended September 30, 2021 to $8.5 million in the comparable period in 2022 primarily due to higher spending on conferences and market data.

Contractual gold payments

Contractual gold payments expense increased 1.3% from $12.8 million during the nine months ended September 30, 2021 to $13.0 million in the comparable period in 2022. This expense was associated with the payment of 7,125 ounces of gold and was calculated using the average daily spot price of $1,801 and $1,825 per ounce during the nine months ended September 30, 2021 and 2022, respectively.

Professional fees

Professional fees increased 101.8% from $5.5 million during the nine months ended September 30, 2021 to $11.1 million in the comparable period in 2022 due to $4.5 million of expenses incurred in response to an activist campaign and spending related to our digital assets initiative.

Occupancy, communications and equipment

Occupancy, communications and equipment expense decreased 28.6% from $3.9 million during the nine months ended September 30, 2021 to $2.8 million in the comparable period in 2022 due to our reduced office footprint.

Depreciation and amortization

Occupancy, communications and equipment expense decreased 77.2% from $0.7 million during the nine months ended September 30, 2021 to $0.2 million in the comparable period in 2022 due to lower spending on fixed assets.

Third-party distribution fees

Third-party distribution fees increased 9.7% from $5.3 million during the nine months ended September 30, 2021 to $5.9 million in the comparable period in 2022 due to new platform relationships in Europe, higher U.S. listed AUM on third-party platforms, partly offset by lower fees paid to our third-party marketing agent in Latin America.

Other

Other expenses increased 22.9% from $5.1 million during the nine months ended September 30, 2021 to $6.3 million in the comparable period in 2022 due to miscellaneous expenses incurred in response to an activist campaign, higher insurance costs and other miscellaneous matters.

Other Income/(Expenses)

(in thousands)	Nine Months Ended September 30, 2022	Nine Months Ended September 30, 2021	Change	Percent Change
Interest expense	$ (11,199)	$ (8,592)	$ (2,607)	30.3%
Gain on revaluation of deferred consideration—gold payments	63,188	5,066	58,122	1,147.3%
Interest income	2,375	1,145	1,230	107.4%
Impairments	—	(16,156)	16,156	(100.0%)
Other losses, net	(34,470)	(6,558)	(27,912)	425.6%
Total other income/(expenses), net	$ 19,894	$ (25,095)	$ 44,989	(179.3%)

As a Percent of Revenues:	Nine Months Ended September 30, 2022	Nine Months Ended September 30, 2021
Interest expense	(4.9%)	(3.8%)
Gain on revaluation of deferred consideration—gold payments	27.7%	2.3%
Interest income	1.0%	0.5%
Impairments	—	(7.2%)
Other losses, net	(15.1%)	(2.9%)
Total other income/(expenses), net	8.7%	(11.1%)

Interest expense

Interest expense increased 30.3% from $8.6 million during the nine months ended September 30, 2021 to $11.2 million in the comparable period in 2022 due to a higher level of debt outstanding and a higher effective interest rate. Our effective interest rate during the nine months ended September 30, 2021 and 2022 was 5.0% and 4.6%, respectively.

Gain on revaluation of deferred consideration

We recognized a gain on revaluation of deferred consideration of $5.1 million and $63.2 million, respectively, during the nine months ended September 30, 2021 and 2022. The gain in the current period arose primarily from an increase in the discount rate (from 9.0% to 12.3%) used to compute the present value of the annual payment obligations as well as lower spot gold prices. The magnitude of any gain or loss is highly correlated to changes in the discount rate and the magnitude of the change in the forward-looking price of gold.

Interest income

Interest income increased 107.4% from $1.1 million during the nine months ended September 30, 2021 to $2.4 million in the comparable period in 2022 due to an increase in our securities owned.

Impairments

During the nine months ended September 30, 2021, we recognized a loss of approximately $16.2 million upon exiting our London and New York offices, which is included in impairments in our Consolidated Statements of Operations. There were no impairment charges during the nine months ended September 30, 2022.

Other losses, net

Other losses, net were ($6.6) million and ($34.5) million during the nine months ended September 30, 2021 and 2022, respectively. The nine months ended September 30, 2022 includes a non-cash charge of $19.9 million arising from the release of a tax-related indemnification asset due to the favorable resolution of certain tax audits as well as the expiration of the statute of limitations (an equal and offsetting benefit has been recognized in income tax expense). We also recognized $15.6 million of losses on our securities owned.

Gains and losses also generally arise from the sale of gold earned from management fees paid by our physically-backed gold ETPs, foreign exchange fluctuations and other miscellaneous items.

Income taxes

Our effective income tax rate for the nine months ended September 30, 2022 was negative 15.7%, resulting in an income tax benefit of $10.7 million. Our tax rate differs from the federal statutory rate of 21% primarily due to the reduction in unrecognized tax benefits associated with the release of the tax-related indemnification asset described above, a non-taxable gain on revaluation of deferred consideration and a lower tax rate on foreign earnings. These items were partly offset by an increase in the deferred tax asset valuation allowance on losses recognized on securities owned.

Our effective income tax rate for the nine months ended September 30, 2021 of 6.7% resulted in income tax expense of $2.8 million. Our effective income tax rate differs from the federal statutory rate of 21% primarily due to a $5.2 million reduction in unrecognized tax benefits, a lower tax rate on foreign earnings and a non-taxable gain on revaluation of deferred consideration. These items were partly offset by tax shortfalls associated with the vesting and exercise of stock-based compensation and non-deductible executive compensation.

Non-GAAP Financial Measurements

In an effort to provide additional information regarding our results as determined by GAAP, we also disclose certain non-GAAP information which we believe provides useful and meaningful information. Our management reviews these non-GAAP financial measurements when evaluating our financial performance and results of operations; therefore, we believe it is useful to provide information with respect to these non-GAAP measurements so as to share this perspective of management. Non-GAAP measurements do not have any standardized meaning, do not replace nor are superior to GAAP financial measurements and are unlikely to be comparable to similar measures presented by other companies. These non-GAAP financial measurements should be considered in the context with our GAAP results. The non-GAAP financial measurements contained in this Report include:

Adjusted Net Income and Diluted Earnings per Share

We disclose adjusted net income and adjusted diluted earnings per share as non-GAAP financial measurements in order to report our results exclusive of items that are non-recurring or not core to our operating business. We believe presenting these non-GAAP financial measurements provides investors with a consistent way to analyze our performance. These non-GAAP financial measurements exclude the following:

Unrealized gains on the revaluation of deferred consideration: Deferred consideration is an obligation we assumed in connection with the ETFS Acquisition that is carried at fair value. This item represents the present value of an obligation to pay fixed ounces of gold into perpetuity and is measured using forward-looking gold prices. Changes in the forward-looking price of gold and changes in the discount rate used to compute the present value of the annual payment obligations may have a material impact on the carrying value of the deferred consideration and our reported financial results. We exclude this item when calculating our non-GAAP financial measurements as it is not core to our operating business. The item is not adjusted for income taxes as the obligation was assumed by a wholly-owned subsidiary of ours that is based in Jersey, a jurisdiction where we are subject to a zero percent tax rate.

Gains or losses on securities owned: We account for securities owned as trading securities which requires these instruments to be measured at fair value with gains and losses reported in net income. In the third quarter of 2021, we began excluding these items when calculating our non-GAAP financial measurements as these securities have become a more meaningful percentage of total assets and the gains and losses introduce volatility in earnings and are not core to our operating business.

Tax shortfalls and windfalls upon vesting and exercise of stock-based compensation awards: GAAP requires the recognition of tax windfalls and shortfalls within income tax expense. These items arise upon the vesting and exercise of stock-based compensation awards and the magnitude is directly correlated to the number of awards vesting/exercised as well as the difference between the price of our stock on the date the award was granted and the date the award vested or was exercised. We exclude these items when calculating our non-GAAP financial measurements as they introduce volatility in earnings and are not core to our operating business.

Other items: Unrealized gains and losses recognized on our investments, changes in the deferred tax asset valuation allowance on securities owned, expenses incurred in response to an activist campaign and impairment charges.

Adjusted Net Income and Diluted Earnings per Share:	Three Months Ended September 30, 2022	Three Months Ended September 30, 2021	Nine Months Ended September 30, 2022	Nine Months Ended September 30, 2021
Net income, as reported	$ 81,229	$ 5,833	$ 78,973	$ 38,610
Deduct: Gain on revaluation of deferred consideration	(77,895)	(1,737)	(63,188)	(5,066)
Add back: Losses on securities owned, net of income taxes	4,778	1,006	11,836	1,006
Add back: Increase in deferred tax asset valuation allowance on securities owned	1,454	—	4,365	
Deduct/add back: Unrealized gain recognized on our investments, net of income taxes	(248)	—	(179)	(284)
Add back/deduct: Tax shortfalls/(windfalls) upon vesting and exercise of stock-based compensation awards	4	—	(541)	(110)
Add back: Expenses incurred in response to an activist campaign, net of income taxes	—	—	3,376	
Add back: Impairments, net of income taxes (where applicable)	—	12,002	—	12,247
Deduct: Gain recognized upon sale of Canadian ETF business		(787)		(787)
Adjusted net income	$ 9,322	$ 16,317	$ 34,642	$ 45,616
Deduct: Income distributed to participating securities	(546)	(538)	(1,644)	(1,634)
Deduct: Undistributed income allocable to participating securities	(503)	(1,275)	(2,266)	(3,422)
Adjusted net income available to common stockholders	$ 8,273	$ 14,504	$ 30,732	$ 40,560
Weighted average diluted shares, excluding participating securities (in thousands) (See Note 18 to our Consolidated Financial Statements)	143,407	143,142	143,245	145,604
Adjusted earnings per share—diluted	$ 0.06	$ 0.10	$ 0.21	$ 0.28

Liquidity and Capital Resources

The following table summarizes key data regarding our liquidity, capital resources and use of capital to fund our operations:

	September 30, 2022	December 31, 2021
Balance Sheet Data (in thousands):		
Cash and cash equivalents	$ 132,700	$ 140,709
Securities owned, at fair value	125,110	127,166
Accounts receivable	25,306	31,864
Securities held-to-maturity	267	308
Total: Liquid assets	283,383	300,047
Less: Total current liabilities[1]	(79,485)	(83,667)
Less: Regulatory capital requirement—certain international subsidiaries	(23,144)	(12,320)
Total: Available liquidity	$ 180,754	$ 204,060

[1] Excludes convertible notes in the amount of $173,760 at September 30, 2022, net of premiums and unamortized issuance costs, scheduled to mature on June 15, 2023, as we are actively exploring refinancing and extension alternatives.

	Nine Months Ended September 30, 2022	Nine Months Ended September 30, 2021
Cash Flow Data (in thousands):		
Operating cash flows	$ 43,113	$ 50,109
Investing cash flows	(25,626)	(92,467)
Financing cash flows	(17,939)	97,350
Foreign exchange rate effect	(7,557)	(493)
Net (decrease)/increase in cash and cash equivalents	$ (8,009)	$ 54,499

Liquidity

We consider our available liquidity to be our liquid assets, less our current liabilities and regulatory capital requirements of certain international subsidiaries. Liquid assets consist of cash and cash equivalents, securities owned, at fair value, accounts receivable and securities held-to-maturity. Our securities owned, at fair value are highly liquid investments. Accounts receivable are current assets and primarily represent receivables from advisory fees we earn from our ETPs. Our current liabilities, excluding convertible notes in the amount of $173,760 scheduled to mature on June 15, 2023, consist primarily of payments owed to vendors and third parties in the normal course of business, deferred consideration and accrued incentive compensation for employees.

Cash and cash equivalents decreased $8.0 million during the nine months ended September 30, 2022 due to $41.2 million used to purchase securities owned, $11.9 million used to purchase investments, $14.5 million used to pay dividends on our common stock, $3.4 million used to repurchase our common stock, $7.6 million of foreign exchange rate losses and $0.2 million used in other activities. These decreases were partly offset by $27.7 million of proceeds from the sale of securities owned and $43.1 million of net cash provided by operating activities.

Cash and cash equivalents increased $54.5 million during the nine months ended September 30, 2021 due to $150.0 million of proceeds received from the issuance of the 2021 Notes, $50.1 million of net cash provided by operating activities, $11.0 million of proceeds from the sale of securities owned and $0.3 million provided by other activities. These increases were partly offset by $97.6 million used to purchase securities owned, $34.5 million used to repurchase our common stock, $14.7 million used to pay dividends on our common stock, $5.8 million used to purchase investments and $4.3 million used to pay the 2021 Note issuance costs.

Issuance of Convertible Notes

On June 14, 2021, we issued and sold $150.0 million in aggregate principal amount of 3.25% Convertible Senior Notes due 2026 (the “2021 Notes”) pursuant to an indenture dated June 14, 2021, between us and U.S. Bank National Association, as trustee, in a private offering to qualified institutional buyers pursuant to Rule 144A under the Securities Act of 1933, as amended (“Rule 144A”).

On June 16, 2020, we issued and sold $150.0 million in aggregate principal amount of 4.25% Convertible Senior Notes due 2023 (the “June 2020 Notes”) pursuant to an indenture dated June 16, 2020, between us and the trustee, in a private offering to qualified institutional buyers pursuant to Rule 144A. On August 13, 2020, we issued and sold $25.0 million in aggregate principal amount of 4.25% Convertible Senior Notes due 2023 at a price equal to 101% of the principal amount thereof, plus interest deemed to have accrued since June 16, 2020, which constitute a further issuance of, and form a single series with, our June 2020 Notes (the “August 2020 Notes” and together with the June 2020 Notes, the “2020 Notes”).

After the issuance of the 2021 Notes (and together with the 2020 Notes, the “Convertible Notes”), we had $325.0 million aggregate principal amount of Convertible Notes outstanding.

Key terms of the Convertible Notes are as follows:

	2021 Notes	2020 Notes
Maturity date (unless earlier converted, repurchased or redeemed)	June 15, 2026	June 15, 2023
Interest rate	3.25%	4.25%
Conversion price	$11.04	$5.92
Conversion rate	90.5797	168.9189
Redemption price	$14.35	$7.70

- *Interest rate*: Payable semiannually in arrears on June 15 and December 15 of each year.
- *Conversion price*: Convertible at an initial conversion rate (as disclosed in the table above) of shares of our common stock per $1,000 principal amount of notes (equivalent to an initial conversion price as disclosed in the table above).
- *Conversion*: Holders may convert at their option at any time prior to the close of business on the business day immediately preceding March 15, 2026 and March 15, 2023 in respect of the 2021 Notes and 2020 Notes, respectively, only under the following circumstances: (i) if the last reported sale price of our common stock for at least 20 trading days during a period of 30 consecutive trading days ending on the last trading day of the immediately preceding calendar quarter is greater than or equal to 130% of the conversion price on each applicable trading day; (ii) during the five business day period after any ten consecutive trading day period (the “measurement period”) in which the trading price per $1,000 principal amount of the Convertible Notes for each trading day of the measurement period was less than 98% of the product of the last reported sales price of our common stock and the conversion rate on each such trading day; (iii) upon a notice of redemption delivered by us in accordance with the terms of the indentures but only with respect to the Convertible Notes called (or deemed called) for redemption; or (iv) upon the occurrence of specified corporate events. On or after March 15, 2026 and March 15, 2023 in respect of the 2021 Notes and 2020 Notes, respectively, until the close of business on the second scheduled trading day immediately preceding the maturity date, holders may convert their Convertible Notes at any time, regardless of the foregoing circumstances.

- *Cash settlement of principal amount*: Upon conversion, we will pay cash up to the aggregate principal amount of the Convertible Notes to be converted. At our election, we will also settle our conversion obligation in excess of the aggregate principal amount of the Convertible Notes being converted in either cash, shares of our common stock or a combination of cash and shares of our common stock.
- *Redemption price*: We may redeem for cash all or any portion of the notes, at our option, on or after June 20, 2023 and June 20, 2021 in respect of the 2021 Notes and 2020 Notes, respectively, and on or prior to the 55th scheduled trading day immediately preceding the maturity date, if the last reported sale price of our common stock has been at least 130% of the conversion price then in effect for at least 20 trading days, including the trading day immediately preceding the date on which we provide notice of redemption, during any 30 consecutive trading day period ending on, and including, the trading day immediately preceding the date on which we provide notice of redemption, at a redemption price equal to 100% of the principal amount of the notes to be redeemed, plus accrued and unpaid interest to, but excluding the redemption date. No sinking fund is provided for the Convertible Notes.
- *Limited investor put rights*: Holders of the Convertible Notes have the right to require us to repurchase for cash all or a portion of their notes at 100% of their principal amount, plus any accrued and unpaid interest, upon the occurrence of certain change of control transactions or liquidation, dissolution or common stock delisting events.
- *Conversion rate increase in certain customary circumstances*: In certain circumstances, conversions in connection with a “make-whole fundamental change” (as defined in the indentures) or conversions of Convertible Notes called (or deemed called) for redemption may result in an increase to the conversion rate, provided that the conversion rate will not exceed 144.9275 shares and 270.2702 shares of our common stock per $1,000 principal amount of the 2021 Notes and 2020 Notes, respectively (the equivalent of 69,036,410 shares of our common stock), subject to adjustment.
- *Seniority and Security*: The 2021 Notes and 2020 Notes rank equal in right of payment, and are our senior unsecured obligations, but are subordinated in right of payment to our obligations to make certain redemption payments (if and when due) in respect of our Series A Non-Voting Convertible Preferred Stock (See Note 10 to our Consolidated Financial Statements).

The indentures contain customary terms and covenants, including that upon certain events of default occurring and continuing, either the trustee or the holders of not less than 25% in aggregate principal amount of the Convertible Notes outstanding may declare the entire principal amount of all the Convertible Notes to be repurchased, plus any accrued special interest, if any, to be immediately due and payable.

Capital Resources

Our principal source of financing is our operating cash flow. We believe that cash flows generated by our operating activities and existing cash balances should be sufficient for us to fund our operations for the foreseeable future.

Our ability to satisfy our contractual obligations as they arise are discussed in the section titled “Contractual Obligations” below.

Use of Capital

Our business does not require us to maintain a significant cash position. However, certain of our international subsidiaries are required to maintain a minimum level of regulatory capital, which at September 30, 2022 was approximately $23.1 million in the aggregate. Notwithstanding these regulatory capital requirements, we expect that our main uses of cash will be to fund the ongoing operations of our business. We also maintain a capital return program which includes a $0.03 per share quarterly cash dividend and authority to purchase our common stock through April 27, 2025, including purchases to offset future equity grants made under our equity plans.

During the three months ended September 30, 2022, we repurchased 4,567 shares of our common stock under the repurchase program for an aggregate cost of $0.02 million. As of September 30, 2022, $100 million remains under this program for future purchases.

Contractual Obligations

Convertible Notes

At September 30, 2022, we had $325.0 million aggregate principal amount of Convertible Notes outstanding, of which $175.0 million are scheduled to mature on June 15, 2023 and $150.0 million are scheduled to mature on June 15, 2026, unless earlier converted, repurchased or redeemed. Conditional conversions or a requirement to repurchase the Convertible Notes upon the occurrence of a fundamental change may accelerate payment.

The Convertible Notes require cash settlement of the principal amount, while settlement of the conversion obligation in excess of the aggregate principal amount may be satisfied in either cash, shares of our common stock or a combination of cash and shares of our common stock. We anticipate refinancing or extending these obligations when due and are currently actively exploring refinancing and extension alternatives with respect to the 2020 Notes.

See the section titled "Issuance of Convertible Notes" above for additional information.

Deferred Consideration—Gold Payments

Deferred consideration represents an obligation we assumed in April 2018 in connection with our acquisition of the European exchange-traded commodity, currency and leveraged and inverse business of ETFS Capital Limited. The obligation is for fixed payments to ETFS Capital Limited of physical gold bullion equating to 9,500 ounces of gold per year through March 31, 2058 and then subsequently reduced to 6,333 ounces of gold continuing into perpetuity ("Contractual Gold Payments"). The present value of the deferred consideration was $164.8 million at September 30, 2022.

The Contractual Gold Payments are paid from advisory fee income generated by any of our sponsored financial products backed by physical gold with no recourse back to us for any unpaid amounts that exceed advisory fees earned.

See Note 9 to our Consolidated Financial Statements for additional information.

Operating Leases

In keeping with our hybrid remote-first philosophy, employees primarily work remotely on a permanent basis. However, we maintain office space in New York and London, as well as other regional locations, to align with employees choosing to collaborate in person.

Total future minimum lease payments with respect to our office space was $1.8 million at September 30, 2022. Cash flows generated by our operating activities and existing cash balances should be sufficient to satisfy the future minimum lease payments. See Note 12 to our Consolidated Financial Statements for additional information.

Off-Balance Sheet Arrangements

We do not have any off-balance sheet financing or other arrangements and have neither created nor are party to any special-purpose oroff-balance sheet entities for the purpose of raising capital, incurring debt or operating our business.

Critical Accounting Policies

Goodwill and Intangible Assets

Goodwill is the excess of the purchase price over the fair values of the identifiable net assets at the acquisition date. We test goodwill for impairment at least annually and at the time of a triggering event requiring re-evaluation, if one were to occur. Goodwill is considered impaired when the estimated fair value of the reporting unit that was allocated the goodwill is less than its carrying value. If the estimated fair value of such reporting unit is less than its carrying value, goodwill impairment is recognized based on that difference, not to exceed the carrying amount of goodwill. A reporting unit is an operating segment or a component of an operating segment provided that the component constitutes a business for which discrete financial information is available and management regularly reviews the operating results of that component.

Goodwill is allocated to our U.S. business and European business components. For impairment testing purposes, these components are aggregated as a single reporting unit as they fall under the same operating segment and have similar economic characteristics.

Goodwill is assessed for impairment annually on November 30th. When performing our goodwill impairment test, we consider a qualitative assessment, when appropriate, the market approach and its market capitalization when determining the fair value of the reporting unit. The results of our analysis indicated no impairment based upon a quantitative assessment.

Indefinite-lived intangible assets are tested for impairment at least annually and are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Indefinite-lived intangible assets are impaired if their estimated fair value is less than their carrying value. We may rely on a qualitative assessment when performing our intangible asset impairment test. Otherwise, the impairment evaluation is performed at the lowest level of reasonably identifiable cash flows independent of other assets. The annual impairment testing date for our intangible assets is November 30th.

Investments

We account for equity investments that do not have a readily determinable fair value under the measurement alternative prescribed in ASU 2016-01, *Financial Instruments – Recognition and Measurement of Financial Assets and Financial Liabilities*, to the extent such investments are not subject to consolidation or the equity method. Under the measurement alternative, these financial instruments are carried at cost, less any impairment (assessed quarterly), plus or minus changes resulting from observable price changes in orderly transactions for an identical or similar investment of the same issuer. In addition, income is recognized when dividends are received only to the extent they are distributed from net accumulated earnings of the investee. Otherwise, such distributions are considered returns of investment and are recorded as a reduction of the cost of the investment.

Deferred Consideration—Gold Payments

Deferred consideration represents the present value of an obligation to pay gold to a third party into perpetuity and is measured using forward-looking gold prices observed on the CMX exchange, a selected discount rate and perpetual growth rate. The weighted average forward-looking gold price per ounce, discount rate and perpetual growth rate were $2,037, 12.3% and 1.5%, respectively, at September 30, 2022. Changes in the fair value of this obligation are reported as gain on revaluation of deferred consideration—gold payments in our Consolidated Statements of Operations.

During the three months ended September 30, 2022, we reported a gain on deferred consideration—gold payments of $77.9 million. A 1.0% increase in the weighted average forward-looking gold price per ounce would have reduced this reported gain by $1.1 million, a 1 percentage point increase in the discount rate would have increased this reported gain by $12.9 million and a 1 percentage point increase in the perpetual growth rate would have reduced this reported gain by $9.3 million. See Note 9 to our Consolidated Financial Statements for additional information.

Revenue Recognition

We earn substantially all of our revenue in the form of advisory fees from our ETPs and recognize this revenue over time, as the performance obligation is satisfied. Advisory fees are based on a percentage of the ETPs' average daily net assets. Progress is measured using the practical expedient under the output method resulting in the recognition of revenue in the amount for which we have a right to invoice.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

The following information, together with information included in other parts of this Management's Discussion and Analysis of Financial Condition and Results of Operations, describes key aspects of our market risk.

Market Risk

Market risk to us generally represents the risk of changes in the value of our ETPs that results from fluctuations in securities or commodity prices, foreign currency exchange rates against the U.S. dollar, and interest rates. Nearly all our revenues are derived from advisory agreements for the WisdomTree ETPs. Under these agreements, the advisory fee we receive is based on the average market value of the assets in the WisdomTree ETP portfolios we manage.

Fluctuations in the value of the ETPs are common and are generated by numerous factors such as market volatility, the global economy, inflation, changes in investor strategies and sentiment, availability of alternative investment vehicles, domestic and foreign government regulations, emerging markets developments and others. Accordingly, changes in any one or a combination of these factors may reduce the value of investment securities and, in turn, the underlying AUM on which our revenues are earned. These declines may cause investors to withdraw funds from our ETPs in favor of investments that they perceive as offering greater opportunity or lower risk, thereby compounding the impact on our revenues. We believe challenging and volatile market conditions will continue to be present in the foreseeable future.

Interest Rate Risk

We invest our corporate cash in short-term interest earning assets, primarily in federal agency debt instruments, WisdomTree fixed income ETFs, U.S. treasuries, corporate bonds, money market instruments at a commercial bank and other securities which totaled $139.0 million and $125.7 million as of December 31, 2021 and September 30, 2022, respectively. During the nine months ended September 30, 2022, we recognized losses on these securities of $15.6 million and any losses recognized in the future may be material to our operating results. We do not anticipate that changes in interest rates will have a material impact on our financial condition or cash flows.

In addition, our Convertible Notes bear interest at fixed rates of 3.25% and 4.25% for the 2021 Notes and the 2020 Notes, respectively. Therefore, we have no direct financial statement risk associated with changes in interest rates. However, the fair value of the Convertible Notes changes primarily when the market price of our common stock fluctuates or interest rates change.

Exchange Rate Risk

We are subject to currency translation exposure on the results of ournon-U.S. operations, primarily in the United Kingdom and Europe. Foreign currency translation risk is the risk that exchange rate gains or losses arise from translating foreign entities' statements of earnings and balance sheets from functional currency to our reporting currency (the U.S. dollar) for consolidation purposes. The advisory fees earned on our international listed ETPs are predominantly in U.S. dollars (and also paid in gold ounces, as described below); however, expenses for corporate overhead are generally incurred in British pounds. Currently, we do not enter into derivative financial instruments aimed at offsetting certain exposures in the statement of operations or the balance sheet but may seek to do so in the future.

Exchange rate risk associated with the euro is not considered to be significant.

Commodity and Cryptocurrency Price Risk

Fluctuations in the prices of commodities and cryptocurrencies that are linked to certain of our ETPs could have a material adverse effect on our AUM and revenues. In addition, a portion of the advisory fee revenues we receive on our ETPs backed by gold, other precious metals and cryptocurrencies are paid in the underlying metal or cryptocurrency. In addition, we pay gold ounces to satisfy our deferred consideration obligation (See Note 9 to our Consolidated Financial Statements). While we readily sell the gold, precious metals and cryptocurrencies that we earn under these advisory contracts, we still may maintain a position. We currently do not enter into arrangements to hedge against fluctuations in the price of these commodities and cryptocurrencies and any hedging we may undertake in the future may not be cost-effective or sufficient to hedge against this exposure.

ITEM 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

As of September 30, 2022, our management, with the participation of our Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of our disclosure controls and procedures pursuant to Rule 13a-15(b) promulgated under the Exchange Act. Based upon that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that, as of September 30, 2022, our disclosure controls and procedures were effective at a reasonable assurance level in ensuring that material information required to be disclosed by us in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the rules, regulations and forms of the SEC, including ensuring that such material information is accumulated by and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

Changes in Internal Control over Financial Reporting

During the quarter ended September 30, 2022, there were no changes in our internal control over financial reporting that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II: OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

We may be subject to reviews, inspections and investigations by the SEC, Commodity Futures Trading Commission (CFTC), National Futures Association (NFA), state and foreign regulators, as well as legal proceedings arising in the ordinary course of business. See Note 13 to our Consolidated Financial Statements for additional information regarding claims brought by investors in our WisdomTree WTI Crude Oil 3x Daily Leveraged ETP totaling approximately €15.8 million ($15.4 million).

ITEM 1A. RISK FACTORS

You should carefully consider the information set forth in Part 1, Item1A. "Risk Factors" in our Annual Report on Form10-K for the fiscal year ended December 31, 2021, as amended, and Quarterly Report on Form 10-Q for the quarter ended June 30, 2022.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

Recent sales of Unregistered Securities

None.

Use of Proceeds

Not applicable.

Purchases of Equity Securities by the Issuer and Affiliated Purchasers

The following table provides information with respect to purchases made by or on behalf of the Company or any “affiliated purchaser” of shares of our common stock.

Period	Total Number of Shares Purchased	Average Price Paid Per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Approximate Dollar Value of Shares that May Yet Be Purchased Under the Plans or Programs (in thousands)
July 1, 2022 to July 31, 2022	—	$ —	—	
August 1, 2022 to August 31, 2022	—	$ —	—	
September 1, 2022 to September 30, 2022	4,567	$ 5.24	4,567	
Total	4,567	$ 5.24	4,567	$ 99,976

On February 22, 2022, our board of directors approved an increase of $85.7 million to our share repurchase program and extended the term for three years through April 27, 2025. During the three months ended September 30, 2022, we repurchased 4,567 shares of our common stock under this program for an aggregate cost of approximately $0.02 million. As of September 30, 2022, $100.0 million remained under this program for future repurchases.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

ITEM 5. OTHER INFORMATION

None

ITEM 6. EXHIBITS

Exhibit No.	Description
3.1	Amended and Restated Certificate of Incorporation (incorporated by reference to Exhibit 3.1 of the Registrant's Registration Statement on Form 10 filed with the SEC on March 31, 2011)
3.2	Certificate of Amendment to the Amended and Restated Certificate of Incorporation (Declassification of Board of Directors) (incorporated by reference to Exhibit 3.1 of the Registrant's Current Report on Form 8-K filed with the SEC on July 20, 2022)
3.3	Certificate of Amendment to the Amended and Restated Certificate of Incorporation (Increase in Authorized Shares) (incorporated by reference to Exhibit 3.2 of the Registrant's Current Report on Form 8-K filed with the SEC on July 20, 2022)
3.4	Certificate of Designations of Series A Non-Voting Convertible Preferred Stock of the Registrant (incorporated by reference to Exhibit 3.1 of the Registrant's Current Report on Form 8-K filed with the SEC on April 13, 2018)
3.5	Third Amended and Restated By-Laws (incorporated by reference to Exhibit 3.5 of the Registrant's Quarterly Report on Form10-Q for the quarter ended June 30, 2022 filed with the SEC on August 5, 2022)
4.1	Specimen Common Stock Certificate (incorporated by reference to Exhibit 4.1 of the Registrant's Registration Statement on Form 10 filed with the SEC on March 31, 2011)
4.2	Amended and Restated Stockholders Agreement among the Registrant and certain investors dated December21, 2006 (incorporated by reference to Exhibit 4.2 of the Registrant's Registration Statement on Form 10 filed with the SEC on March 31, 2011)
4.3	Securities Purchase Agreement among the Registrant and certain investors dated December21, 2006 (incorporated by reference to Exhibit 4.3 of the Registrant's Registration Statement on Form 10 filed with the SEC on March 31, 2011)
4.4	Securities Purchase Agreement among the Registrant and certain investors dated October15, 2009 (incorporated by reference to Exhibit 4.4 of the Registrant's Registration Statement on Form 10 filed with the SEC on March 31, 2011)
4.5	Third Amended and Restated Registration Rights Agreement dated October 15, 2009 (incorporated by reference to Exhibit 4.5 of the Registrant's Registration Statement on Form 10 filed with the SEC on March 31, 2011)
4.6	Investor Rights Agreement, dated April 11, 2018, between the Registrant and ETFS Capital (incorporated by reference to Exhibit 4.1 of the Registrant's Current Report on Form 8-K filed with the SEC on April 13, 2018)
4.7	Indenture, dated as of June 16, 2020, by and between the Registrant and U.S. Bank National Association, as Trustee (incorporated by reference to Exhibit 4.1 of the Registrant's Current Report on Form 8-K filed with the SEC on June 17, 2020)
4.8	Form of Global Note, representing the Registrant's 4.25% Convertible Senior Notes due 2023 (included as Exhibit A to the Indenture filed as Exhibit 4.1 of the Registrant's Current Report on Form 8-K filed with the SEC on June 17, 2020)
4.9	Indenture, dated as of June 14, 2021, by and between the Registrant and U.S. Bank National Association, as Trustee (incorporated by reference to Exhibit 4.1 of the Registrant's Current Report on Form 8-K filed with the SEC on June 14, 2021)
4.10	Form of Global Note, representing the Registrant's 3.25% Convertible Senior Notes due 2026 (incorporated by reference to Exhibit 4.2 of the Registrant's Current Report on Form 8-K filed with the SEC on June 14, 2021)
4.11	WisdomTree Investments, Inc. 2022 Equity Plan (incorporated by reference to Exhibit 99.1 of the Registrant's Registration Statement on Form S-8 filed with the SEC on July 25, 2022)

Exhibit No.	Description
10.1[(1)]	Form of Restricted Stock Agreement for Non-Employee Directors
10.2[(1)]	Form of Restricted Stock Unit Award Agreement (Deferred) for Non-Employee Directors
31.1[(1)]	Rule 13a-14(a) / 15d-14(a) Certification
31.2[(1)]	Rule 13a-14(a) / 15d-14(a) Certification
32[(1)]	Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
101[(1)]	Financial Statements from the Quarterly Report on Form10-Q of the Company for the three months ended September 30, 2022, formatted in XBRL: (i) Consolidated Balance Sheets at September 30, 2022 (Unaudited) and December 31, 2021; (ii) Consolidated Statements of Operations and Comprehensive Income for the three and nine months ended September 30, 2022 and September 30, 2021 (Unaudited); (iii) Consolidated Statements of Changes in Stockholders' Equity for the three and nine months ended September 30, 2022 and September 30, 2021 (Unaudited) (iv) Consolidated Statements of Cash Flows for the nine months ended September 30, 2022 and September 30, 2021 (Unaudited); and (v) Notes to Consolidated Financial Statements, as blocks of text and in detail.
101.SCH[(1)]	Inline XBRL Taxonomy Extension Schema Document
101.CAL[(1)]	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF[(1)]	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB[(1)]	Inline XBRL Taxonomy Extension Labels Linkbase Document
101.PRE[(1)]	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104[(1)]	Cover Page Interactive Data File (formatted as inline XBRL with applicable taxonomy extension information contained in Exhibits 101.*)

[(1)] Filed herewith.

SIGNATURE

Pursuant to the requirements of the Exchange Act, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized on this 4th day of November 2022.

WISDOMTREE INVESTMENTS, INC.

By: /s/ Jonathan Steinberg
Jonathan Steinberg
Chief Executive Officer
(Principal Executive Officer)

WISDOMTREE INVESTMENTS, INC.

By: /s/ Bryan Edmiston
Bryan Edmiston
Chief Financial Officer
(Principal Financial Officer)

[General Form of RSA Grant to Non-Employee Directors after July 15, 2022]

RESTRICTED STOCK AGREEMENT
UNDER THE WISDOMTREE INVESTMENTS, INC.
2022 EQUITY PLAN

RESTRICTED STOCK AGREEMENT (the “Agreement”), effective as of the Grant Date (as defined below), by and between WisdomTree Investments, Inc., a Delaware corporation (the “Company”), and the non-employee member of the Board of Directors of the Company whose name is set forth on the signature page of this Agreement (the “Holder”).

WHEREAS, the Board of Directors of the Company (the “Board”) or the Compensation Committee of the Board (“Committee”) has authorized the issuance to the Holder of the aggregate number of shares of the authorized but unissued common stock of the Company, $0.01 par value per share, set forth on Schedule A attached to this Agreement (the “Shares”), pursuant and subject to the terms and conditions of the Company’s 2022 Equity Plan (the “Plan”) and conditioned upon the Holder’s acceptance thereof upon the terms and conditions set forth in this Agreement; and

WHEREAS, the Holder desires to acquire the Shares on the terms and conditions set forth in this Agreement and subject to the terms of the Plan.

IT IS AGREED:

1. Grant of Shares.

1.1 The Company has issued to the Holder, effective as of the grant date set forth on Schedule A (the “Grant Date”), the Shares on the terms and conditions set forth herein and in the Plan. The Shares shall be subject to forfeiture in the event the Holder ceases to serve as a member of the Board for any reason prior to the first anniversary of the Grant Date. The period prior to the first anniversary of the Grant Date is hereinafter referred to as the “Restriction Period.”

1.2 The Shares shall constitute issued and outstanding shares of common stock for all corporate purposes, and the Holder shall have the right to vote such Shares and to exercise all of the rights, powers and privileges of a holder of common stock with respect to such Shares, except that (a) the Holder shall not be entitled to delivery of evidence of book-entry or a share certificate until the Shares vest in accordance with Section 1.3; and (b) the Company will retain custody of all distributions and dividends made, paid or declared with respect to the Shares during the Restriction Period (“Retained Distributions”) and such Retained Distributions shall accrue and shall not be paid to the Holder until and only to the extent the Shares vest.

1.3 If the Holder is still a member of the Board at the end of the Restriction Period, the Shares shall fully vest and no longer be subject to forfeiture by the Holder. After the date that the Shares become vested, the Company, in its discretion, shall either instruct its transfer agent to issue and deliver to the Holder evidence of book-entry or a certificate for the Shares or otherwise permit the Shares to be transferred by the Holder. In addition, after the Shares become vested, the Company shall pay the Retained Distributions with respect thereto to the Holder. Subject to the provisions of Section 1.4, if, at any time prior to the vesting of the Shares in accordance with the first sentence of this Section 1.3, the Holder ceases to be a member of the Board for any reason, then the Shares that have not then vested (and the Retained Distributions with respect thereto) shall be automatically forfeited to the Company and the Holder shall not thereafter have any rights with respect to such Shares (or the Retained Distributions with respect thereto). In such event, the Company is authorized by the Holder to instruct the Company’s transfer agent to cancel and return the Shares (and, if applicable, the Retained Distributions with respect thereto, to the extent such Retained Distributions were in the form of shares) to the status of authorized but unissued shares of Common Stock and to return to the Company any Retained Distributions in the form of cash.

1.4 Acceleration of Vesting Upon a Change of Control. Notwithstanding the provisions of Section 1.3, in the event of a "Sale Event" (as defined in the Plan) while the Holder is a member of the Board, the vesting of the Shares shall accelerate and all Shares shall be vested simultaneously with such Sale Event.

2. Nonassignability of Shares. The Shares shall not be assignable or transferable until they have vested.

3. Holder Representations. The Holder hereby represents and warrants to the Company that:

(i) he or she has received a copy of the Plan and the prospectus filed pursuant to Rule 424 under the Securities Act of 1933, as amended, as in effect as of the date of this Agreement;

(ii) he or she has received a copy of all reports and documents required to be filed by the Company with the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended, within the last twenty-four (24) months and all reports issued by the Company to its stockholders;

(iii) he or she understands that he or she must bear the economic risk of the investment in the Shares;

(iv) he or she has had such an opportunity as he or she has deemed adequate to obtain from the Company such information as is necessary to permit the Holder to evaluate the merits and risks of the Holder's investment in the Company and has had the opportunity to consult with his or her own advisers with respect to the investment in the Company; and

(v) he or she understands and agrees that if a stock certificate evidencing the Shares is issued prior to the expiration of the Restriction Period, it shall also bear the following legend:

> "The shares represented by this certificate have been acquired pursuant to a Restricted Stock Agreement, a copy of which is on file with the Company, and may not be transferred, pledged or disposed of except in accordance with the terms and conditions thereof and the terms and conditions of the WisdomTree Investments, Inc. 2022 Equity Plan."

4. Miscellaneous.

4.1 Notices. All notices, requests, deliveries, payments, demands and other communications which are required or permitted to be given under this Agreement shall be in writing and shall be either (a) delivered personally or by private courier (e.g., Federal Express), (b) sent by registered or certified mail, return receipt requested, postage prepaid, or (c) sent by electronic communication (via e-mail or through an electronic platform approved by the Company), with confirmation of transmission thereof, and shall be deemed duly given hereunder when delivered in person or by private courier, on the third business day following deposit in the United States mail as set forth subsection (b) above, or, if sent by electronic communication, on the date sent by such transmission during normal business hours of the recipient, and on the next business day if sent after normal business hours of the recipient. Such communications shall be sent to the respective parties at the following addresses: (i) if to the Company, at its principal executive office, attention: Legal Department at legalnotice@wisdomtree.com; and (ii) if to the Holder, at his or her last known residence address or e-mail address as indicated in the records of the Company. Either party may designate another address in writing (or by such other method approved by the Company) from time to time.

4.2 Plan Paramount; Conflicts with Plan. This Agreement shall, in all respects, be subject to the terms and conditions of the Plan, whether or not stated herein. In the event of a conflict between the provisions of the Plan and the provisions of this Agreement, the provisions of the Plan shall in all respects be controlling. Capitalized terms in this Agreement shall have the meaning specified in the Plan, unless a different meaning is specified herein.

4.3 Discretionary Nature of Plan. The Plan is discretionary and may be amended, cancelled or terminated by the Company at any time, in its discretion, in accordance with the terms of the Plan. The grant of the Shares in this Agreement does not create any contractual right or other right to receive any restricted stock or other Awards in the future. Future Awards, if any, will be at the sole discretion of the Company.

4.4 No Obligation to Continue as a Director. Neither the Plan nor this award of Shares confers upon the Holder any rights with respect to continuance as a member of the Board.

4.5 Amendments; Waiver. This Agreement may not be modified, amended, or terminated except by an instrument in writing, signed by each of the parties. No failure to exercise and no delay in exercising any right, remedy, or power under this Agreement shall operate as a waiver thereof, nor shall any single or partial exercise of any right, remedy, or power under this Agreement preclude any other or further exercise thereof, or the exercise of any other right, remedy, or power provided herein or by law or in equity. All rights and remedies, whether conferred by this Agreement, by any other instrument or by law, shall be cumulative, and may be exercised singularly or concurrently.

4.6 Entire Agreement. This Agreement constitutes the entire agreement of the parties hereto with respect to the subject matter hereof and supersedes all prior undertakings and agreements, oral or written, with respect to the subject matter hereof. This Agreement may not be contradicted by evidence of any prior or contemporaneous agreement. To the extent that the policies and procedures of the Company apply to the Holder and are inconsistent with the terms of this Agreement, the provisions of the Agreement shall control.

4.7 Binding Effect; Successors. This Agreement shall inure to the benefit of and be binding upon the parties hereto and, to the extent not prohibited herein, their respective heirs, successors, assigns and representatives.

4.8 Severability; Enforcement. If any provision of this Agreement is held invalid, illegal or unenforceable in any respect (an “Impaired Provision”), (a) such Impaired Provision shall be interpreted in such a manner as to preserve, to the maximum extent possible, the intent of the parties, (b) the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby, and (c) such decision shall not affect the validity, legality or enforceability of such Impaired Provision under other circumstances. The parties agree to negotiate in good faith and agree upon a provision to substitute for the Impaired Provision in the circumstances in which the Impaired Provision is invalid, illegal or unenforceable.

4.9 Rights of Third Parties. Nothing in this Agreement, express or implied, is intended to confer upon any party other than the parties hereto or their respective permitted successors and assigns any rights, remedies, obligations, or liabilities under or by reason of this Agreement, except as expressly provided in this Agreement.

4.10 Headings. The Section headings used herein are for convenience only and do not define, limit or construe the content of such sections. All references in this Agreement to Section numbers refer to Sections of this Agreement, unless otherwise indicated.

4.11 Governing Law; Jurisdiction. The Agreement shall be governed by and construed in accordance with the laws of the State of New York, without reference to that body of law concerning choice of law or conflicts of law, except that the General Corporation Law of the State of Delaware ("GCL") shall apply to all matters governed by the GCL, including, without limitation, matters concerning the validity of grants of restricted stock and actions of the Board or the Committee. The Company and the Holder agree that the sole and exclusive judicial venues for any dispute, difference, cause of action or legal action of any kind that any party, or any officer, director, employee, agent or permitted successor or assign of any party may bring against any other party or any subsidiary of a party, or against any officer, director, employee, agent or permitted successor or assign of any of the foregoing, related to this Agreement (a "Proceeding"), shall be (a) the United States District Court for the Southern District of New York, if such court has statutory jurisdiction over the Proceeding and (b) the Supreme Court of the State of New York in the County of New York (collectively, the "New York Courts"). Each of the parties hereby expressly (i) consents to the personal jurisdiction of each of the New York Courts with respect to any Proceeding; (ii) agrees that service of process in any Proceeding may be effected upon such party in the manner set forth in Section 4.1 (other than by electronic communication), as well as in any other manner prescribed by law; and (iii) waives any objection, whether on the grounds of venue, residence or domicile or on the ground that the Proceeding has been brought in an inconvenient forum, to any Proceeding brought in either of the New York Courts.

4.12 Data Privacy Consent. In order to administer the Plan and this Agreement and to implement or structure future equity grants, the Company, its Subsidiaries and affiliates and certain agents thereof (together, the "Relevant Companies") may process any and all personal or professional data, including but not limited to Social Security or other identification number, home address and telephone number, date of birth and other information that is necessary or desirable for the administration of the Plan and/or this Agreement (the "Relevant Information"). By entering into this Agreement, the Holder (i) authorizes the Company to collect, process, register and transfer to the Relevant Companies all Relevant Information; (ii) waives any privacy rights the Holder may have with respect to the Relevant Information; (iii) authorizes the Relevant Companies to store and transmit such information in electronic form; and (iv) authorizes the transfer of the Relevant Information to any jurisdiction in which the Relevant Companies consider appropriate. The Holder shall have access to, and the right to change, the Relevant Information. Relevant Information will only be used in accordance with applicable law.

[Balance of page left blank intentionally. Signature page follows.]

IN WITNESS WHEREOF, the parties hereto have signed this Restricted Stock Agreement effective as of the Grant Date indicated on Schedule A below.

WISDOMTREE INVESTMENTS, INC.

By: ______________________________________
Jonathan L. Steinberg, Chief Executive Officer

Acceptance

The Holder hereby acknowledges: I have received a copy of this Agreement; I have had the opportunity to consult legal counsel in regard to this Agreement, and have availed myself of that opportunity to the extent I wish to do so (I understand the Company's attorneys represent the Company and not myself, and I have not relied on any advice from the Company's attorneys); I have read and understand this agreement; I AM FULLY AWARE OF LEGAL EFFECT OF THIS AGREEMENT; I acknowledge that there may be adverse tax consequences upon the grant or vesting of the Shares or disposition thereof and that I have been advised to consult a tax advisor prior to such grant, vesting or disposition; and I have entered into this Agreement freely and voluntarily and based on my own judgment and not on any representations and promises other than those contained in this Agreement. The Holder accepts these Shares subject to all the terms and conditions of this Agreement. Electronic acceptance of this Agreement pursuant to the Company's instructions to the Holder (including through an online acceptance process) is acceptable.

____
HOLDER'S SIGNATURE

Schedule A

Name of Holder: ____________________

Grant Date: ____________________

Total Number of Shares Granted: ____________________

Vesting Date: ____________________

[General Form of RSU Grant (Deferred) to Non-Employee Directors after July 15, 2022]

RESTRICTED STOCK UNIT AWARD AGREEMENT (DEFERRED) FOR NON-EMPLOYEE DIRECTORS UNDER THE WISDOMTREE INVESTMENTS, INC. 2022 EQUITY PLAN

Name of Grantee: ____

No. of Restricted Stock Units: ____

Grant Date: ____

Pursuant to WisdomTree Investments, Inc. 2022 Equity Plan, as amended through the date hereof (the “Plan”), WisdomTree Investments, Inc. (the “Company”) hereby grants an award of the number of Restricted Stock Units listed above (an “Award”) to the grantee, a non-employee member of the Board of Directors of the Company (the “Board”), named above (the “Grantee”). Each Restricted Stock Unit shall relate to one share of Common Stock, par value $0.01 per share (the “Stock”), of the Company. Reference is also made to the WisdomTree Investments, Inc. Non-Employee Directors’ Deferred Compensation Program (the “Program”).

1. <u>Restrictions on Transfer of Award</u>. This Award may not be sold, transferred, pledged, assigned or otherwise encumbered or disposed of by the Grantee, and any shares of Stock issuable with respect to the Award may not be sold, transferred, pledged, assigned or otherwise encumbered or disposed of until (i) the Restricted Stock Units have vested as provided in Paragraph 2 of this Agreement and (ii) shares of Stock have been issued to the Grantee in accordance with the terms of the Plan, this Agreement and the Program.

2. <u>Vesting of Restricted Stock Units</u>. All of the Restricted Stock Units shall vest on the first anniversary of the Grant Date (such date, the “Vesting Date”), provided that the Grantee is serving as a member of the Board on the Vesting Date. Notwithstanding the foregoing, in the event of a Sale Event (as defined in the Plan) while the Grantee is serving as a member of the Board, the vesting of 100% of the Restricted Stock Units shall accelerate and all Restricted Stock Units shall be vested simultaneously with such Sale Event. Subject to the terms of the Plan and the Program, the Committee may at any time accelerate the vesting schedule specified in this Paragraph 2.

3. <u>Issuance of Shares of Stock</u>. As soon as practicable following the Settlement Date (defined below) (but in no event later than the later of the last day of the calendar year in which such event occurs or two and one-half months after the Settlement Date occurs), the Company shall issue to the Grantee the number of shares of Stock equal to the aggregate number of Restricted Stock Units granted pursuant to this Agreement and the Grantee shall thereafter have all the rights of a stockholder of the Company with respect to such shares. For purposes of this Agreement, “Settlement Date” means the date that is specified in the election form completed by the Grantee pursuant to the Program.

4. Incorporation of Plan and the Program. Notwithstanding anything herein to the contrary, this Agreement shall be subject to and governed by all the terms and conditions of the Plan and the Program, whether or not stated herein, including the powers of the Administrator set forth in Section 2(b) of the Plan. In the event of a conflict between the provisions of the Plan, the Program and the provisions of this Agreement, the provisions of the Plan shall in all respects be controlling, followed by the Program and then this Agreement. Capitalized terms in this Agreement shall have the meaning specified in the Plan and the Program, as applicable, unless a different meaning is specified herein.

5. Section 409A of the Code. This Agreement is intended to be a compliant deferred compensation plan under Section 409A and shall be administered in accordance with the requirements of Section 409A. If the Grantee is a specified employee (as defined in Section 409A) at the time of his or her separation from service and the Restricted Stock Units are settled on account of such separation from service, then the settlement shall be delayed for six months or until the Grantee's death, if earlier, to the extent required to avoid adverse taxation under Section 409A.

6. No Obligation to Continue as a Director. Neither the Plan nor this Award confers upon the Grantee any rights with respect to continuance as a member of the Board.

7. Discretionary Nature of Plan and Program. Each of the Plan and the Program is discretionary and may be amended, cancelled or terminated by the Company at any time, in its discretion, in accordance with the terms of the Plan and the Program, respectively. The grant of the Award in this Agreement does not create any contractual right or other right to receive any other awards in the future. Future awards, if any, will be at the sole discretion of the Company.

8. Integration. This Agreement constitutes the entire agreement between the parties with respect to this Award and supersedes all prior agreements and discussions between the parties concerning such subject matter.

9. Data Privacy Consent. In order to administer the Plan and this Agreement and to implement or structure future equity grants, the Company, its subsidiaries and affiliates and certain agents thereof (together, the "Relevant Companies") may process any and all personal or professional data, including but not limited to Social Security or other identification number, home address and telephone number, date of birth and other information that is necessary or desirable for the administration of the Plan and/or this Agreement (the "Relevant Information"). By entering into this Agreement, the Grantee (i) authorizes the Company to collect, process, register and transfer to the Relevant Companies all Relevant Information; (ii) waives any privacy rights the Grantee may have with respect to the Relevant Information; (iii) authorizes the Relevant Companies to store and transmit such information in electronic form; and (iv) authorizes the transfer of the Relevant Information to any jurisdiction in which the Relevant Companies consider appropriate. The Grantee shall have access to, and the right to change, the Relevant Information. Relevant Information will only be used in accordance with applicable law.

10. Notices. Notices hereunder shall be mailed or delivered to the Company at its principal place of business and shall be mailed or delivered to the Grantee at the address on file with the Company or, in either case, at such other address as one party may subsequently furnish to the other party in writing.

[Balance of page left blank intentionally. Signature page follows.]

WISDOMTREE INVESTMENTS, INC.

By: ______________________________

Jonathan L. Steinberg
Chief Executive Officer

The foregoing Agreement is hereby accepted, and the terms and conditions thereof hereby agreed to, by the undersigned. Electronic acceptance of this Agreement pursuant to the Company’s instructions to the Grantee (including through an online acceptance process) is acceptable.

Dated: ______________________________

____
Grantee’s Signature

Grantee’s name and address:

____

____

____

Exhibit 31.1

CERTIFICATION

I, Jonathan Steinberg, certify that:

1. I have reviewed this quarterly report on Form 10-Q of WisdomTree Investments, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal controls over financial reporting (as defined in Exchange Act Rules13a-15(f) and 15d-15(f)) for the registrant and have:
   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

By: /s/ Jonathan Steinberg
Jonathan Steinberg
Chief Executive Officer
(Principal Executive Officer)

Date: November 4, 2022

Exhibit 31.2

CERTIFICATION

I, Bryan Edmiston, certify that:

1. I have reviewed this quarterly report on Form 10-Q of WisdomTree Investments, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal controls over financial reporting (as defined in Exchange Act Rules13a-15(f) and 15d-15(f)) for the registrant and have:

    a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

    a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

By: /s/ Bryan Edmiston
Bryan Edmiston
Chief Financial Officer
(Principal Financial Officer)

Date: November 4, 2022

Exhibit 32

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of WisdomTree Investments, Inc. (the "Company") on Form10-Q for the period ended September 30, 2022 as filed with the Securities and Exchange Commission (the "SEC") on the date hereof (the "Report"), we, Jonathan Steinberg, Chief Executive Officer of the Company, and Bryan Edmiston, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, to our knowledge, that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Exchange Act, as amended; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

This certification is being furnished and not filed, and shall not be incorporated into any documents for any purpose, under the Exchange Act, as amended. A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the SEC or its staff upon request.

By: /s/ Jonathan Steinberg
Jonathan Steinberg
Chief Executive Officer
(Principal Executive Officer)

By: /s/ Bryan Edmiston
Bryan Edmiston
Chief Financial Officer
(Principal Financial Officer)

Date: November 4, 2022