

Q&A



April 2026

# WisdomTree Crypto ETPs



WisdomTree.eu  
+44 (0) 207 448 4330

# Contents

<b>1.</b>	<b>Custody &amp; Security</b>	<b>4</b>
1.1.	Who are your custodians?	4
1.2.	Of all the potential custodians in place, how and/or why did you choose to work with Swissquote, Coinbase, and BitGo?	4
1.3.	Why do you have three custodians?	5
1.4.	How do you allocate assets between custodians?	5
1.5.	Are you protected against hacks?	5
1.6.	What is "cold storage"?	6
1.7.	Are the keys ever online?	6
1.8.	Can I visit the vaults?	6
<b>2.</b>	<b>Legal &amp; Regulation</b>	<b>7</b>
2.1.	Where are the WisdomTree Digital Assets ETPs domiciled?	7
2.2.	Why are the ETPs domiciled in Jersey?	7
2.3.	Are the products UCITS Eligible?	7
2.4.	Are the products regulated?	8
2.5.	Who can access these products?	8
2.6.	Do you check the coins provenance?	9
<b>3.</b>	<b>Structure</b>	<b>10</b>
3.1.	What is meant by "physical" digital assets?	10
3.2.	What is "coin entitlement"?	10
3.3.	How are fees applied to the products' Net Asset Value (NAV)?	10
3.4.	What is indicative NAV?	10
3.5.	Why did you choose these reference prices?	11
3.6.	Who are your Authorised Participants (APs)?	11
3.7.	What is the creation/redemption process?	11
3.8.	Can investor redeem directly with the Issuer?	11
3.9.	Are the products insured against hacks?	12
3.10.	What happens if the digital assets undergo a hard fork?	12

3.11.	To what extent does the digital assets that you have backing the ETPs guarantee the solvency of the product? In which instances might creditors have claim to these digital assets before investors like me?	13
3.12.	Are the products fully collateralised?	13
<b>4.</b>	<b>Trading</b>	<b>13</b>
4.1.	How can I buy these ETPs?	13
4.2.	Is an iNAV available for the WisdomTree Digital Asset ETPs?	13
4.3.	At what time is the Net Asset Value (NAV) calculated?	13
4.4.	What is the maximum order size you can take? How large a trade could be facilitated?	14
4.5.	In order for me to sell units, is a buyer required or will you sell the underlying digital assets to create the daily liquidity where needed?	14
<b>5.</b>	<b>Staking</b>	<b>15</b>
5.1.	What is staking?	15
5.2.	How is 'Proof-of-Stake' different from 'Proof-of-Work'?	15
5.3.	What is a validator node?	15
5.4.	Why is there a reward for staking?	16
5.5.	Where does the staking reward come from?	16
5.6.	Who decides the reward?	16
5.7.	Does staking differ across digital asset networks? Why?	16
5.8.	Why does the staking reward differ across digital asset networks?	16
5.9.	Does the staking reward vary over time?	17
5.10.	How often are staking rewards paid?	17
5.11.	What are the staking rewards denominated in?	17
5.12.	Does staking involve lending out my digital assets?	17
5.13.	Do the staking rewards compound over time?	17
5.14.	Are the staking rewards added to my ETP coin entitlement?	17
	<b>Operations</b>	<b>18</b>
5.15.	Where are the digital assets stored when staked?	18
5.16.	Does staking involve a cold or hot wallet?	18
5.17.	How soon can I withdraw my staked digital assets?	18

<b>5.18.</b>	What risks am I subject to when staking?	18
<b>5.19.</b>	How does the custodian / validator node operator ensure that my stake is kept safe?	19
<b>5.20.</b>	What happens if there is a large redemption and my digital assets are staked (i.e. locked-up)?	19
	<b>Ethereum staking</b>	19
<b>5.21.</b>	What are the risks related to staking Ethereum?	19
<b>5.22.</b>	What yield can be earned by staking ether?	19
<b>5.23.</b>	What are the different types of rewards in ether staking?	19
<b>5.24.</b>	What is the inflation rate of the Ethereum network?	20
<b>5.25.</b>	Is there a minimum ether requirement for staking?	20
<b>5.26.</b>	How frequently are ether rewards provided?	20
<b>5.27.</b>	What is the unbonding period for the Ethereum network?	20
<b>5.28.</b>	Does the Ethereum network have slashing?	20
	<b>Lido Staked Ether (stETH)</b>	20
<b>5.29.</b>	What are the risks related to staking Ether (ETH) via Lido?	20
<b>5.30.</b>	What yield can be earned by staking ETH through Lido?	21
<b>5.31.</b>	What types of rewards does stETH generate?	21
<b>5.32.</b>	Is there a minimum ETH requirement for staking through Lido?	21
<b>5.33.</b>	How frequently are stETH rewards paid?	21
<b>5.34.</b>	What is the unbonding period for Lido withdrawals?	21
<b>5.35.</b>	Does staking via Lido involve slashing?	21
<b>5.36.</b>	Can validator nodes incur a slashing penalty on the Solana network?	22
<b>5.37.</b>	What is the (un)bonding period for the Solana network?	22
<b>5.38.</b>	What is Solana's proof of history consensus mechanism and how does it relate to proof of stake?	22
	<b>Cardano staking</b>	22
<b>5.39.</b>	Can validator nodes incur a slashing penalty on the Cardano network?	22
<b>5.40.</b>	What is the (un)bonding period for the Cardano network?	23
<b>5.41.</b>	How are Cardano's staking rewards determined?	23
<b>5.42.</b>	What are pledged tokens on Cardano?	23

# 1. Custody & Security

## 1.1. Who are your custodians?

The custodians for the WisdomTree Digital Assets ETPs (Exchange-Traded Products) are Swissquote, a Swiss Bank regulated by the Swiss Financial Market Supervisory Authority (FINMA), Coinbase Custody Trust Company LLC, a New York limited purpose trust company which is authorised to provide fiduciary custodial services to institutional customers, and BitGo, a US-regulated qualified custodian and one of the largest independent digital asset custodians globally.

## 1.2. Of all the potential custodians in place, how and/or why did you choose to work with Swissquote, Coinbase, and BitGo?

Swissquote is a highly reputable Swiss Bank regulated by FINMA. As such, it undergoes financial health reviews, policy and procedure reviews, and must maintain capital reserve requirements as defined by the Swiss Regulator. Swissquote has the largest online trading platform in Switzerland and is also authorised by FINMA as a digital assets custodian. Swissquote was the first online bank in Europe to offer digital assets trading and has the most complete digital assets platform available to retail and institutional customers. They have developed an industry-leading, institutional-grade approach to digital asset security, and have a long history of successfully acting as a custodian for traditional financial assets.

Coinbase Custody is an independent, NYDFS-regulated qualified custodian. They developed best-in-class security and operations to address the security, regulatory, and operational challenges unique to the crypto market. Dedicated on-chain addresses are secured by Coinbase's battle-tested cold storage. Indeed, Coinbase Custody offers clients access to the secure, institutional-grade offline storage solution that has been used by Coinbase's exchange business since 2012. All digital assets are segregated and held in trust for the benefit of our clients. In addition, Coinbase's insurance policy is one of the largest crypto insurance facilities in the industry.

BitGo is a US-regulated qualified custodian and one of the longest-standing independent providers of institutional digital asset custody. It is known for pioneering multi-signature wallet technology and delivering an institutional-grade security architecture that reduces single points of failure. BitGo provides segregated custody, robust insurance coverage, and operates under a framework of strict compliance standards. Its track record of safeguarding billions of dollars in digital assets for institutional clients makes it a trusted partner in the evolving digital asset ecosystem.

### 1.3. Why do you have three custodians?

WisdomTree has appointed multiple custodians to safeguard the digital currency held by WisdomTree Issuer X Limited (the “Issuer” of WisdomTree Digital Assets ETPs) on behalf of investors.

We consider the multi-custodian structure to provide the below added benefits:

- + Diversification of assets to mitigate any single point of operational failure.
- + Ability to take advantage of any one custodian's strength and expertise in a particular digital currency.
- + Ability to take advantage of any one custodian’s enhanced operational efficiency due to development within that custodian.
- + Ability to utilise new or increased security measures and tools developed by any one custodian.
- + Ability to continue to improve cost efficiency of the products, e.g. custody or transaction fees.

### 1.4. How do you allocate assets between custodians?

Allocations are reviewed, assessed and agreed by WisdomTree on behalf of our clients. The allocation process will be based on multiple factors such as industry landscape, operational efficiency, technology, etc. For more information, please see our [allocation policy](#).

### 1.5. Are you protected against hacks?

The custodians have developed industry-leading, institutional-grade approaches to digital asset security. They combine institutional-grade hardware, software security, operational policies and procedures, to eliminate single points of failure and protect digital assets against attacks.

**Cold Storage:** Private keys<sup>1</sup> are fully encrypted and kept offline. For any withdrawal / transaction out of the offline wallet<sup>2</sup>, human intervention is required.

**Geographic Distribution of Redundancies:** There is device, geographic, environmental and human redundancy allowing constant access. All locations are highly secure.

**Robust Approval Process:** The custodians use institutional-grade multi-approval technology, which significantly reduces the risk of losing a single approval key or approver and the effect this may have on accessing the digital assets. Multi-approval technology works by an “M-of-N” system, meaning that M approvers out of N known approvers must approve a transaction. The separation of duties for wallet configuration (e.g. setting and approving policies), client communication, transaction initiation, auditing functions is an inherent component of the

1 A secret number that allows digital assets to be spent

2 System to store private keys

custodial offering to provide robustness to the approval process

Furthermore, redemptions can only be initiated to a predefined immutable set of whitelisted addresses.

## 1.6. What is "cold storage"?

Cold storage refers to holding private keys in an offline environment, not directly connected to the internet. It is opposed to a "hot wallet", where the private keys are stored on hardware directly connected to the internet, and thus more vulnerable to hacks. The trade-off for more security afforded by cold storage is reduced accessibility and increased time requirements to transact in coins held in this way. For this reason, you typically see hot storage used for transactional coins intended for short term trading whereas cold storage is suitable for stable, longer term holdings.

## 1.7. Are the keys ever online?

Private keys in cold storage are never directly connected to the internet.

## 1.8. Can I visit the vaults?

For security reasons, it is not possible to visit the locations where the private keys are held.

## 2. Legal & Regulation

### 2.1. Where are the WisdomTree Digital Assets ETPs domiciled?

The WisdomTree Digital Assets ETPs are domiciled in Jersey.

### 2.2. Why are the ETPs domiciled in Jersey?

1. Jersey is upheld as a jurisdiction that offers excellent, contemporary corporate laws.
2. Jersey has a strong regulatory environment. Jersey is also covered by the Organisation for Economic Co-operation and Development (OECD) Convention, please find the relevant announcement on the OECD website at: <https://www.oecd.org/en/about/legal.html>.
3. Jersey has a world-class professional infrastructure. Our legal advisor in Jersey is Mourant Ozannes who have offices in London, Hong Kong and in Jersey amongst other jurisdictions.
4. Jersey companies are subject to the ultimate supervision of the Jersey courts. The Jersey courts are independent, and impartial. Many of the judges sitting in the Jersey courts are English-trained lawyers. Moreover, the final court of appeal from the Jersey Court of Appeal is the English Privy Council.
5. The proximity and interconnectedness of Jersey to the UK is convenient for various operational reasons, for example, the CREST settlement system framework extends to securities issued in Jersey and we can use a Jersey-based Registrar to interact directly with CREST.
6. WisdomTree has a long history of structuring Jersey-domiciled products that provide exposure to physically held assets. As such, products structured in this way have a proven track record (over 10 years) as being a suitable and efficient for investors on a pan European basis.

### 2.3. Are the products UCITS Eligible?

Clients need to make an assessment of this for themselves however we believe that the treatment here should be the same as for other exchange traded commodities, which are generally considered UCITS eligible. You can find detailed analysis of the products' UCITS eligibility [here](#).

## 2.4. Are the products regulated?

A prospectus in respect of the Issuer of WisdomTree Digital Assets ETPs, has been approved by the Swedish Financial Supervisory Authority (Sw. Finansinspektionen) (the “SFSA”), as competent authority under Regulation (EU) 2017/1129.

The prospectus permits offers of WisdomTree Digital Assets ETPs to the public and/or an admission to trading of WisdomTree Digital Assets ETPs on a regulated market in Sweden and in the markets to which the prospectus has been passported.

The Issuer has requested the SFSA to notify the approval of the Base Prospectus to Austria, Belgium, Denmark, Finland, France, Germany, Italy, Ireland, Luxembourg, Netherlands, Norway, Poland and Spain.

The Issuer is not supervised by the Jersey Financial Services Commission; however, a copy of the Prospectus has been delivered to the Registrar of Companies in Jersey in accordance with Article 5 of the Companies (General Provisions) (Jersey) Order 2002 (the CGPO), and the Registrar of Companies in Jersey has given his consent to its circulation.

Further, the Jersey Financial Services Commission has given its consent under Article 4 of the Control of Borrowing (Jersey) Order 1958 (the COBO) to the issue of securities by the Issuer. The WisdomTree Digital Assets ETPs do not constitute a collective investment fund under the Collective Investment Funds (Jersey) Law 1988 on the basis that they are investment products designed for financially sophisticated investors with specialist knowledge of, and experience in, making such investments and who have an asset base sufficiently substantial as to enable them to sustain any loss that they may suffer as a result of making such investment.

A separate prospectus in respect of WisdomTree Digital Assets ETPs<sup>3</sup> has been approved by the UK Financial Conduct Authority (the “FCA”) as competent authority under Regulation (EU) 2017/1129 (the “Prospectus Regulation”), as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018.

## 2.5. Who can access these products?

The products are permitted to be offered to the public and/or to be admitted to trading on a regulated market in the following countries:

**Austria, Belgium, Denmark, Finland, France, Germany, Italy, Ireland, Luxembourg, Netherlands, Norway, Poland, Spain, Sweden, Switzerland and the United Kingdom<sup>4</sup>.**

The products are currently tradeable on the Swiss Stock Exchange (SIX), Deutsche Börse Xetra, the London Stock Exchange (LSE)<sup>5</sup>, Nasdaq Stockholm<sup>6</sup>, Euronext Paris and Euronext Amsterdam,

<sup>3</sup> Currently limited to WisdomTree Physical Bitcoin (BTCW) and WisdomTree Physical Ethereum (ETHW).

<sup>4</sup> United Kingdom only applies for WisdomTree Physical Bitcoin (BTCW) and WisdomTree Physical Ethereum (ETHW)

<sup>5</sup> At the moment, only WisdomTree Physical Bitcoin ETP (BTCW) and WisdomTree Physical Ethereum ETP (ETHW) are listed on LSE.

<sup>6</sup> At the moment, only WisdomTree Physical Solana ETP (SOLW) is listed on Nasdaq Stockholm.

Borsa Italiana<sup>7</sup> or via a broker for those clients with the appropriate market access. For further information, please contact WisdomTree.

These products are available for institutional and professional investors in the following countries:

- + Israel
- + Some Latin America countries

**This list is not exhaustive. If your region is not in the above list, please contact us.**

**These products are only available to informed and advanced or expert retail investors in certain circumstances, please speak to your advisor or broker for further information.** Furthermore, availability can be restricted in some regions.

## 2.6. Do you check the coins provenance?

The Issuer has appointed three highly regarded institutional cryptocurrency custodians, Coinbase Custody, Swissquote, and BitGo. Each of the custodians have adopted robust custody controls of the coins received and strictly monitor the transactions within the custody network, adhering to anti-money laundering (AML) regulations.

**Coinbase Custody:** As part of their AML programme, Coinbase Custody has built a bespoke transaction monitoring system integrated into their proprietary Coinbase Analytics blockchain monitoring solution. This enables Coinbase to analyse crypto asset transactions on the blockchain. This infrastructure allows Coinbase to quickly adapt to emerging threats in the crypto-economy, build scenarios and typologies around specific transaction types, and gives them flexibility to support new products and services.

**SwissQuote:** Swissquote performs compliance checks and forensic blockchain analysis on all crypto transfers using a non-proprietary system to identify and ensure that the crypto assets do not originate from illegal activities.

**BitGo** applies a multi-layered compliance framework that combines proprietary risk controls with third-party blockchain intelligence providers. Its AML programme includes transaction monitoring, wallet-level risk scoring, and real-time alerts to identify suspicious activity. Policy-based approvals and segregation of duties are built into its custody platform, embedding compliance directly into operations. This structure enables BitGo to manage illicit finance risks while maintaining operational efficiency for institutional clients.

<sup>7</sup> At the moment, only WisdomTree Physical Bitcoin ETP (BTCW), WisdomTree Physical Ethereum ETP (ETHW), WisdomTree Physical XRP ETP (XRPW), WisdomTree Physical Solana ETP (SOLW), WisdomTree Physical Stellar Lumens ETP (XLMW), WisdomTree Physical Lido Staked Ether (LIST), WisdomTree Physical Crypto Altcoins (WALT), and WisdomTree Physical CoinDesk 20 ETP (WCRP) are listed on Borsa Italiana.

# 3. Structure

## 3.1. What is meant by "physical" digital assets?

Similarly to a physically-backed gold ETP, which is backed by gold bars held in a bank vault, private keys allowing for the transaction of digital assets are held in highly secured locations, and on highly secured hardware.

This is generally opposed to synthetic replication, by which a financial instrument like an ETP or an Exchange Traded Fund (ETF) does not actually hold the underlying asset which it is supposed to represent, but achieves representation by other means, usually through holding derivative instruments.

Alternatively, there are offerings structured as a note or structured product, where the issuing entity essentially guarantees the performance. However, this introduces counterparty risk to the product with investors taking solvency risk to the issuing entity.

## 3.2. What is "coin entitlement"?

The total coin entitlement refers to the number of digital assets the ETPs are entitled to.

The coin entitlement per share can be calculated by dividing the total coin entitlement by the number of shares outstanding.

The exact coin entitlement is published daily and can be found on our website.

## 3.3. How are fees applied to the products' Net Asset Value (NAV)?

The total coin entitlement for the ETPs is reduced on a daily basis to represent the fee incurred over a day.

## 3.4. What is indicative NAV?

Since the products are completely physically-backed, the primary way we value the shares is in digital asset terms (for example, bitcoin), i.e. the coin entitlement per share. However, in order to provide clients with a cash equivalent valuation, we also publish a per-share indicative USD value ('NAV') which is calculated using the relevant price index, for example the CoinDesk Bitcoin Benchmark London Settlement Rate. This is obtained daily simply by multiplying the per-share coin entitlement (available on the website) by the reference price for that day.

### 3.5. Why did you choose these reference prices?

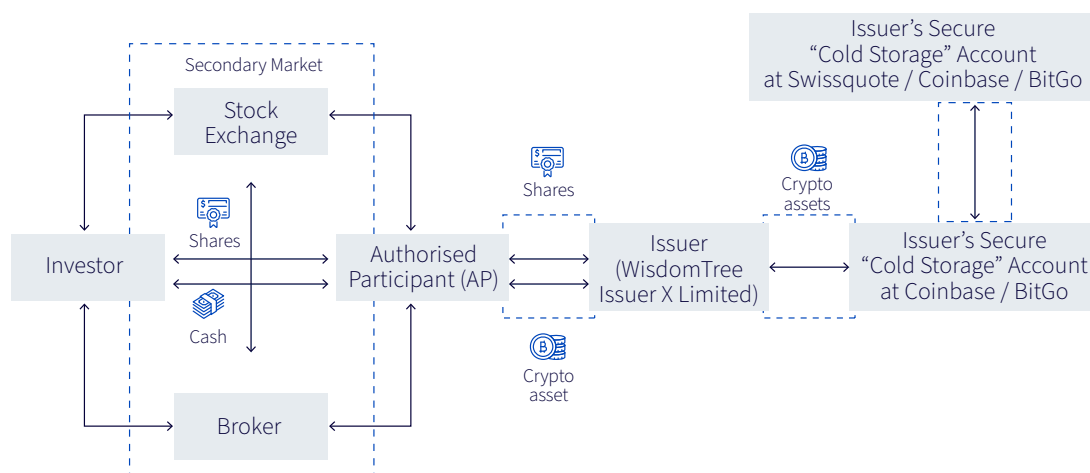
WisdomTree use CoinDesk indices for all of its crypto ETPs because they are trusted, transparent, and designed for institutions. CoinDesk aggregates data from leading exchanges and applies strict rules to ensure fair pricing that reflects the true state of the market. As one of the most established names in digital asset benchmarks, CoinDesk provides the credibility and reliability that investors expect when accessing crypto through WisdomTree’s products.

### 3.6. Who are your Authorised Participants (APs)?

Our current APs are DRW Global Markets, Flow Traders, Goldenberg Hehmeyer, Jane Street Financial Ltd, Virtu Financial.

### 3.7. What is the creation/redemption process?

The ETPs use “in-kind” redemption/creation process in the primary market between the Issuer and the APs. This means the APs deliver/take delivery of digital assets for shares based on a per-share coin entitlement which is available daily on the website. At launch of the bitcoin ETP, each share was worth approximately 0.01 bitcoins so in order to create 100 shares, the AP needed to deliver approximately 1 bitcoin to the ETP.



The WisdomTree Digital Asset ETPs do not trade digital assets in the creation/redemption process, thus avoiding the use of cash, as well as avoiding transaction costs from being incurred inside the product as part of the creation/redemption process.

The exact coin entitlement can be found on our website on a daily basis. The coin entitlement per share can be calculated by dividing the Total Coin Entitlement by the Shares Outstanding.

### 3.8. Can investor redeem directly with the Issuer?

Investors transact in the secondary market, buying or selling shares on an exchange or directly with their broker. Investors in most WisdomTree crypto ETPs have an option of physical delivery. Please see [Physical Crypto Redemption](#) for further detail.

### 3.9. Are the products insured against hacks?

Yes, the products are insured against hacks. However, we believe the insurance market for digital assets is not mature enough, and the primary way risks are managed in this space is always going to be predominantly through operationally robust safe keeping procedures. This is the same set-up we see in the metals market – another space requiring robust physical security – with insurance playing a small role in risk mitigation on the edges.

Safekeeping of assets and accessibility are WisdomTree’s primary goal in creating digital asset ETPs. In developing the program, we have gone to great lengths to ensure that the direct holdings are secured using industry leading storage solutions taking in to account the operational and cyber-security considerations, which are of key importance to investors entering this asset class. The products offer a simple and cost-efficient way to invest in digital assets with confidence.

The WisdomTree Digital Asset ETPs directly hold the underlying assets in segregated wallets managed through an institutional custody set-up. The custodians we work with are leaders in the field and offer best-in-class storage solutions for digital assets ensuring that we have transparency and control over our holdings in a highly secure, reliable environment. The amount held is monitored and reconciled daily basis between our custodians, the Issuer and the administrator.

### 3.10. What happens if the digital assets undergo a hard fork?

WisdomTree will adhere to the Custodian fork policy. The fork policy is available upon request.

#### **Fork not supported by custodian:**

In the event that a fork is not supported by the custodian, this will be clearly notified to WisdomTree. There will be no further action required. The existing digital currency will continue to exist with no impact.

#### **Fork supported by custodian:**

If in the event a fork occurs and the custodian is able to support the fork, and allocate any forked assets to WisdomTree, the Issuer will designate a record date for the affected WisdomTree ETPs as of the date of the hard fork (the “Record Date”).

The Issuer will closely monitor the impact of the hard fork and assess the options available to it after the hard fork with an aim to enable holders of the affected WisdomTree ETPs as at the Record Date to receive the benefit of the affected WisdomTree ETPs. These options may depend on options made available by related third parties such as Custodians, Exchanges and Authorised Participants.

The Issuer notes that if the fork occurs, it will not impact the security or structure of the affected WisdomTree ETPs and that it can give no guarantee that it will be able to identify a way of providing the benefit of the forked assets to the holders of the affected WisdomTree ETPs as of the Record Date. Any holder of the affected WisdomTree ETPs who acquires affected WisdomTree ETPs after the Record Date will not receive any benefit from the forked asset.

### 3.11. To what extent does the digital assets that you have backing the ETPs guarantee the solvency of the product? In which instances might creditors have claim to these digital assets before investors like me?

The digital assets held in/by the product are solely for the purpose of backing the relevant product. The Issuer is a separate legal entity and creditors of WisdomTree have no claim to the assets held by this or any other WisdomTree product.

### 3.12. Are the products fully collateralised?

The products are fully collateralised and are 100% physically backed by the underlying asset.

## 4. Trading

### 4.1. How can I buy these ETPs?

Investors in the WisdomTree Digital Asset ETPs can buy or sell as little as one share on exchange or directly with their broker over the counter (OTC). The products are currently listing on the SIX, Xetra, LSE<sup>8</sup>, Borsa Italiana<sup>9</sup>, Nasdaq Stockholm<sup>10</sup>, Euronext Paris and Euronext Amsterdam exchanges.

### 4.2. Is an iNAV available for the WisdomTree Digital Asset ETPs?

Yes CoinDesk performs intraday index calculations.

### 4.3. At what time is the Net Asset Value (NAV) calculated?

Here is an example for the WisdomTree Physical Bitcoin ETP.

The daily NAV is calculated using per-share coin entitlement and the CoinDesk Bitcoin Benchmark London Settlement Rate.

The CoinDesk Bitcoin Benchmark London Settlement Rate is calculated based on the relevant bitcoin transactions on eligible constituent exchanges between 3:00 p.m. and 4:00 p.m. London time. The price and size of each relevant transaction is recorded and added to a list which is portioned into 12 equally weighted time intervals of 5 minutes each.

<sup>8</sup> LSE only applies for WisdomTree Physical Bitcoin (BTCW) and WisdomTree Physical Ethereum (ETHW)

<sup>9</sup> At the moment, only WisdomTree Physical Bitcoin ETP (BTCW), WisdomTree Physical Ethereum ETP (ETHW), WisdomTree Physical XRP ETP (XRPW), WisdomTree Physical Solana ETP (SOLW), WisdomTree Physical Stellar Lumens ETP (XLMW), WisdomTree Physical Lido Staked Ether (LIST), WisdomTree Physical Crypto Altcoins (WALT), and WisdomTree Physical CoinDesk 20 ETP (WCRP) are listed on Borsa Italiana.

<sup>10</sup> Nasdaq Stockholm only applies for WisdomTree Physical Solana (SOLW).

#### 4.4. What is the maximum order size you can take? How large a trade could be facilitated?

The maximum order size that could be facilitated on a given day would be dictated by the available liquidity. This is due to the in-kind creation/redemption process creating a direct link between the WisdomTree Digital Assets ETPs and the underlying digital assets market. In order to create a given size the AP needs to source the equivalent amount of digital assets (based on the coin entitlement).

This means that any cost associated with sourcing the digital assets, including any market impact, will affect the pricing of a given WisdomTree Digital Assets ETP trade and therefore the efficient max size.

Whilst market conditions vary and must always be considered when trading, the efficient trade size is typically in the 5-10mn USD range, but trades in the 25+mn USD can be accommodated (conditions permitting).

#### 4.5. In order for me to sell units, is a buyer required or will you sell the underlying digital assets to create the daily liquidity where needed?

All investors purchase shares in the secondary market (usually on exchange) with two-way liquidity provided by market makers throughout the trading day. The liquidity that market makers are able to provide is directly linked to the underlying digital assets market as shares in the products can be created or redeemed on a given day in exchange for digital assets.

If we consider a scenario where an investor is looking to sell shares of the WisdomTree Digital Assets ETP, they would do so at the prevailing market price, either on exchange or via their broker, and will end up trading against an Authorised Participant who will in turn redeem the shares with the Issuer in exchange of digital assets. These can then be liquidated to facilitate payment for the shares being sold by the investor.

# 5. Staking

## 5.1. What is staking?

Staking is a way of earning rewards by simply holding a specific cryptocurrency and being willing to participate in that blockchain's transaction verification process. In order to secure a Proof-of-Stake blockchain, network validators need to stake the respective network's native cryptocurrency and come to an agreement about the correct order of transactions. This consensus mechanism is an algorithm that is written in the respective network's software code.

## 5.2. How is 'Proof-of-Stake' different from 'Proof-of-Work'?

Bitcoin and some other digital asset networks use the 'Proof-of-Work' consensus mechanism. Although there is no 'staking' in Proof-of-Work consensus mechanism, we will describe Proof-of-Work just to highlight the differences in the two consensus mechanisms. In the Proof-of-Work consensus mechanism mining computers compete against each other using electricity to solve difficult math problems in order to create new blocks on the network. Nodes<sup>11</sup> on the network check that this work has been done – that it is correct - then validate the new block. In return for doing this intensive computational work ('Proof-of-Work') the miners are rewarded with newly created ('minted or 'mined') native cryptocurrency of the network. If the work is not correct, the nodes reject the false block and the miner incurs the cost of expended electricity.

By contrast, under 'Proof-of-Stake, there is less computational work being done. Instead, validator nodes on the network (i.e. the nodes with a stake in the network) are chosen at random to create new blocks on the distributed database. The probability of being chosen is usually higher if more cryptocurrency has been staked. When selected to create a new block, the node compiles a set of transactions and signs them with a private key. Other validator nodes on the network check that this is all correct and, if so, the node is rewarded with newly minted cryptocurrency. If the work is not correct – then the node can incur a penalty, a low probability form of which is called slashing, which results in some or all of the staked cryptocurrency being lost. The more common penalty is what is termed 'leaking', which is a very gradual reduction in the amount of staked cryptocurrency so as to eventually remove the poorly performing validator node from the network.

## 5.3. What is a validator node?

A validator node does what the name suggests: validates proposed new entries to the distributed ledger. It does this in an automated way. Depending on the network, the validation might involve

<sup>11</sup> A node is a computer that runs a cryptocurrency software

checking the digital signature included in the entry is correct, that the transactions conform to the protocol's rules and that the transactions originate from accounts with sufficient balance.

## 5.4. Why is there a reward for staking?

The validator nodes are doing the verification work required to secure the network. They are also incurring an opportunity cost from staking (i.e. locking up) their cryptocurrency. The staking reward is given to incentivise this work and recompense some of the opportunity cost.

## 5.5. Where does the staking reward come from?

Different digital asset networks have different monetary policies (i.e. the incentive structure used to encourage or discourage certain behaviour on the network). For most networks, the new cryptocurrency created (i.e. the network inflation) is given to stakers. In some networks, this might be accompanied by the transaction fees paid by those transacting on the network.

## 5.6. Who decides the reward?

The staking reward is a consequence of the way in which developers wrote the code for the network. This monetary policy is decided when the network is created and can be adjusted over time according to the governance rules of the network, hard forking the network or applying a soft fork upgrade. There may be other factors that lead to the staking reward varying over time, depending on the network, including transaction fees, number of validator nodes, amount of cryptocurrency burnt, etc.

## 5.7. Does staking differ across digital asset networks? Why?

Yes it does. There are a number of variations of the Proof-of-Stake consensus mechanism, which makes staking different across networks. Staking also differs due to the way in which the monetary policy of the network (i.e. the conditions under which and the rate at which new cryptocurrency is created), which differs across networks. There are also some technical specifications, like the minimum staking amount or leakage/slashing rules, that differ across networks.

## 5.8. Why does the staking reward differ across digital asset networks?

Different networks have different monetary policies, which in part determines the staking reward. The emission (i.e. inflation) rate follows a curve, which means that over time, as more and more nodes participate in staking, the new cryptocurrency is distributed across more and more nodes. This tends to reduce the yield for each individual node over time. In some networks the staking reward from inflation might be accompanied by the transaction fees paid by those transacting on the network. This again can vary as demand and willingness to pay for block space on the network, and the network's block capacity, change over time.

## 5.9. Does the staking reward vary over time?

Yes – though the rate varies across networks. For some networks, the emission (i.e. inflation) rate follows a curve, which means that over time, as more and more nodes participate in staking, the new cryptocurrency is distributed across more and more nodes. This tends to reduce the yield for each individual node over time.

Moreover, in some networks the staking reward from inflation might be accompanied by the transaction fees paid by those transacting on the network. The transaction fees can vary as demand and willingness to pay for block space on the network, and the network's block capacity, change over time.

## 5.10. How often are staking rewards paid?

This depends on the network rules which vary substantially such as epoch time and so on.

## 5.11. What are the staking rewards denominated in?

The staking rewards are denominated in the native cryptocurrency of the network in question.

## 5.12. Does staking involve lending out my digital assets?

No. When running one's own staking infrastructure the cryptocurrency remains with the party possessing the private keys (i.e. the custodian) at all times. Staking involves locking up cryptocurrency in a smart contract, which means that the private keys are still held by the custodian. This is subject to some risks including smart contract risk and the risk of slashing/penalties. Important to note that Coinbase provide an Ethereum slashing insurance.

By contrast, lending of digital assets can either be done via a centralised or decentralised entity. When done with centralised lending platforms, control of the private keys is given to the centralised entity, which then lends out those assets in exchange for interest on the loan. This comes with various risks including counterparty risk.<sup>12</sup>

For the avoidance of any doubt, there is no lending within WisdomTree Physical Crypto ETPs.

## 5.13. Do the staking rewards compound over time?

It is completely dependent on the network, for instance Solana staking rewards are compounded over time but not on the Ethereum network.

## 5.14. Are the staking rewards added to my ETP coin entitlement?

Yes. Staking rewards are added to your ETP coin entitlement.

<sup>12</sup> <https://figment.io/insights/misconceptions-about-staking-protocol-staking-vs-liquidity-lending/>

## Operations

### 5.15. Where are the digital assets stored when staked?

Both staked and unstaked cryptocurrency will continue to be held in cold storage at our custodian.

### 5.16. Does staking involve a cold or hot wallet?

WisdomTree participates in staking rewards without moving assets from custody. This means that all digital assets remain in cold storage (i.e. airgapped and not connected to the internet) while staking. The technical configuration can differ across different networks. Please see below the specificities for each network.

### 5.17. How soon can I withdraw my staked digital assets?

This will vary depending on the digital asset network in question. Regardless of the unbonding time, the process remains the same. First, WisdomTree needs to unstake and then wait a period of time for the assets to “unbond” from the staking process. Before unstaking can be completed, there is a step involving security key authorization. Once done, we will need to follow the multi-party consensus approval process for the change to process. Before unstaking, WisdomTree will need to follow the standard security process (multi-party consensus approval process etc.).

### 5.18. What risks am I subject to when staking?

Beyond the risks that require management for all digital asset ETP products, staking presents a few additional risks to manage:

- + **Network outage:** If there is a network outage, this would delay bonding/unbonding as well as the redemption settlement. WisdomTree would proactively communicate the issue if it were to arise.
- + **Liquidity:** the unbonding period could cause a delay of the redemption settlement
- + **Leakage:** For some digital asset networks, if the validator nodes do not respond for a sustained period of time when requested to validate new transactions, a small ‘leakage’ fee is imposed on the node’s stake. This is imposed so that, over time, if some nodes persistently fail to perform their validation role, then the distribution of staked cryptocurrency returns to a threshold required for the network to resist certain classes of attack.
- + **Slashing:** Malicious validator behaviour such as dishonest validations, double signing and inactivity may be subject to a penalty called “slashing” depending on the specific protocol. Slashing is designed to incentivise validator responsibility and network collaboration. Slashing penalties vary depending on the protocol but can cause the reduction of the validator’s stake

or in some instances the validator may be removed from the network. Important to note that Coinbase provide an Ethereum slashing insurance.

## 5.19. How does the custodian / validator node operator ensure that my stake is kept safe?

A combination of cold storage and operational security processes are used to manage staked digital assets. The stake/unstake bonding period is done on-chain (need to wait for the custodian batch), which can only be initiated with a multi-party approval process.

## 5.20. What happens if there is a large redemption and my digital assets are staked (i.e. locked-up)?

WisdomTree splits the total AUM across several wallets. The fund's digital assets will be divided into liquid and staked assets. A WisdomTree working group monitors the staked levels and decides/changes the threshold and the number of required staked wallets as required.

If there is a large redemption on any cryptocurrency ETP, redemption settlement may incur a delay beyond the standard settlement cycle.

### Ethereum staking

## 5.21. What are the risks related to staking Ethereum?

In addition to the general staking risks highlighted above, it is noteworthy to mention that staking requires ether to be locked on the protocol in order to earn staking rewards. It is not possible to trade or transfer the staked ether during this period. Also, the bonding and unbonding periods vary and the time taken depends on the number of validators in the activation and deactivation queue. Bonding is the time taken to lock the staked ether into the validator's smart contract node. Unbonding is the time taken to unlock the staked ether from the validator's smart contract node.

## 5.22. What yield can be earned by staking ether?

The estimate for Ethereum's annual percentage yield is 3% and is dependent on many factors, including the way ether is staked, the amount of validators, the amount of transactions on the blockchain and whether maximum extractable value (MEV) technology is used.<sup>13</sup>

## 5.23. What are the different types of rewards in ether staking?

There are two types of rewards:

+ **Consensus layer rewards:** rewards for participating in the Proof-of-Stake network by

<sup>13</sup> [Ethereum.org](https://ethereum.org); [stakingrewards.com](https://stakingrewards.com)

proposing or validating blocks

- + **Execution layer rewards:** Ethereum network users can incentivise a validator to process transactions faster by paying an extra transactions fee. To earn this extra fee, a validator must make sure to add those specific transaction(s) to the block they propose. Execution layer rewards fluctuate based on network traffic volume

## 5.24. What is the inflation rate of the Ethereum network?

Ethereum Improvement Proposal EIP-1559 introduced the concept of ‘burning’, which means removing some ether permanently from token supply. As a result of this upgrade, at times the protocol can and has turned deflationary such as in November of 2022<sup>14</sup>. After ‘the Merge’, an upgrade to the Ethereum network implemented in September 2022, more ether was removed from the token supply than the amount of new ether issued that year. This deflationary tendency is built into the software code of the Ethereum network but the amount of ‘burned’ ether depends on many factors, including the network activity and users’ willingness to pay transaction fees, which vary constantly.

## 5.25. Is there a minimum ether requirement for staking?

Yes. Each validator must have at least 32 ether to participate in the validation process.

## 5.26. How frequently are ether rewards provided?

It usually takes approximately 2-5 days to receive the reward depending on whether the validator has chosen to have its rewards withdrawn at the next epoch.

## 5.27. What is the unbonding period for the Ethereum network?

The unbonding period varies, it usually takes more than ten days and depends on the number of validators in the activation queue at any given time.

## 5.28. Does the Ethereum network have slashing?

Yes, slashing detection for double signing and serious downtime is automatic. Slashing is a penalty imposed on malicious nodes that attempt to approve false entries on the distributed ledger. Important to note that Coinbase provide an Ethereum slashing insurance.

### **Lido Staked Ether (stETH)**

## 5.29. What are the risks related to staking Ether (ETH) via Lido?

<sup>14</sup> [Ultrasound.money](https://ultrasound.money)

Staking ETH through Lido removes the need to operate a validator or lock ETH natively, but it introduces (list not exhaustive) smart-contract risk, validator-operator performance risk, slashing risk, market / liquidity risk, and Lido governance risk. Please also review WisdomTree prospectus, “Risk factors” section.

### **5.30. What yield can be earned by staking ETH through Lido?**

Lido passes through Ethereum’s staking yield minus a 10% protocol fee, with returns varying on daily basis.

### **5.31. What types of rewards does stETH generate?**

stETH accrues both consensus-layer rewards for validation duties and execution-layer rewards from priority fees and MEV13 captured by Lido’s node operators, with all rewards automatically compounded into an increasing stETH balance each day. This mirrors native ETH staking economics but is aggregated and distributed across Lido’s set of professional validators.

### **5.32. Is there a minimum ETH requirement for staking through Lido?**

No minimum applies. Lido eliminates the 32 ETH validator requirements and allows users to stake any amount of ETH, receiving stETH on a 1:1 basis.

### **5.33. How frequently are stETH rewards paid?**

stETH rewards are distributed once per day via a rebase and automatically compounded into the holder’s balance, so users see their stETH holdings increase daily without needing to claim or take an action.

### **5.34. What is the unbonding period for Lido withdrawals?**

It is possible to exchange stETH to ETH in a few minutes on the secondary market but subject to market price, fees, liquidity, etc. The second option is to request withdrawal in Lido and it depends on available liquidity in the withdrawal vault or may require unstaking via the Ethereum exit queue, making withdrawal times variable.

### **5.35. Does staking via Lido involve slashing?**

Yes. Ethereum’s native slashing rules apply to Lido’s validators, with penalties possible for double-signing or extended downtime, though diversification across multiple professional operators reduces correlated risk. Lido also maintains a slashing coverage fund to help offset validator losses, providing partial but not guaranteed protection.

## Solana staking

### 5.36. Can validator nodes incur a slashing penalty on the Solana network?

For Solana, there is no automatic slashing (i.e., no penalty if the validator behaves maliciously).

### 5.37. What is the (un)bonding period for the Solana network?

For Solana, an un-bonding (= unlocking/un-staking period) of a staked position can take 2-4 days.

### 5.38. What is Solana's proof of history consensus mechanism and how does it relate to proof of stake?

There are many different variants of proof of stake consensus mechanisms.

Solana uses a hybrid of proof of stake and what they term a 'proof of history' consensus mechanism. Being a hybrid, the proof of stake consensus mechanism involves the staking of SOL cryptocurrency to validator nodes, which in turn operate the network.

Where the proof of history hybrid element enters is in the way that different nodes keep track of the state (the current order of transactions on the distributed ledger) of the network. Solana adds a hashed timestamp of the prior ledger entry to each new entry on the distributed ledger. Due to some technical constraints around computation of hashes, this hash shows that the block was emitted during its slot and not at any other time, which can be easily and thus quickly verified by any validator. Each block contains the signature of the node (called a 'leader') who emitted it, allowing other validators to quickly prove that the block was indeed emitted by the proper 'leader' for that slot.

For a non-technical explanation of 'proof of history' see: <https://solana.com/news/proof-of-history>

For an extensive, more technical explanation of 'proof of history' and how it relates to proof of stake see: <https://www.shinobi-systems.com/primer.html>

## Cardano staking

### 5.39. Can validator nodes incur a slashing penalty on the Cardano network?

For Cardano, there is no automatic slashing (i.e., no penalty if the validator behaves maliciously). However, there is potential for missing block penalties or a lack of pledged ADA penalties<sup>15</sup>.

+ **Missing blocks:** the more block production missed by a stake pool, the lower the reward rate that epoch for the stake pool.

<sup>15</sup> <https://www.coinbase.com/cloud/discover/protocol-guides/guide-to-cardano#Risks-of-participation-on-Cardano>

- + **Lack of pledged ADA:** a stake pool at its stake cap with no pledged ADA earns only 77% of the rewards that a stake pool composed completely of pledged ADA earns.

## 5.40. What is the (un)bonding period for the Cardano network?

For Cardano there is no (un-)bonding period.<sup>16</sup>

## 5.41. How are Cardano's staking rewards determined?

There are multiple steps involved in determining the amount of staking rewards that stakers receive for the Cardano network.

- + The total possible reward amount is calculated each epoch (~5 days), which involves applying an Expansion Rate to the unissued Reserve. (The current Expansion rate is 0.3%). Transaction fees paid during the prior epoch are also added to this amount<sup>17</sup>.
- + A proportion of the total possible reward amount is issued to the Treasury. This amount was 20% as of November 2020.
- + The remainder of the total possible reward amount is issued to the network validators. From this amount the following adjustments may be made:
  - Subtract penalties (if any);
  - For those using a pool,
    - Adjustment for those who have pledged tokens (the more pledged tokens, the higher the reward allocation);
    - Subtract any pool fixed costs;
    - Subtract any pool margin.

More detailed information on each of these steps can be found on the Coinbase website: <https://www.coinbase.com/cloud/discover/protocol-guides/guide-to-cardano#Rewards-on-Cardano>

## 5.42. What are pledged tokens on Cardano?

Cardano is somewhat unique in that there is no (un)bonding period. Instead, it is possible to pledge tokens to a staking pool and, in return, receive higher staking rewards. Pledging involves contributing an amount of self-bonded assets which remain staked to a pool for as long as it operates. It is optional and is a mechanism intended to reduce the risk of a Sybil attack (i.e. reducing the risk of one threat actor taking control of over half of the network's staked voting power)<sup>18 19 20</sup>

<sup>16</sup> <https://www.coinbase.com/cloud/discover/protocol-guides/guide-to-cardano#Rewards-on-Cardano>

<sup>17</sup> <https://docs.cardano.org/learn/pledging-rewards>

<sup>18</sup> <https://docs.cardano.org/learn/pledging-rewards>

<sup>19</sup> <https://www.coinbase.com/cloud/discover/protocol-guides/guide-to-cardano#Rewards-on-Cardano>

<sup>20</sup> <https://www.coinbase.com/cloud/discover/solutions/cardano-stake-pledge-margin>

## Important Information

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

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

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

**This marketing communication has been prepared for professional investors, but the WisdomTree products set out in this document may be available in some jurisdictions to any investors, subject to applicable laws and regulations. As the product may not be authorised or its offering may be restricted in your jurisdiction, it is the responsibility of every person or entity to satisfy themselves as to the full observance of the laws and regulations of the relevant jurisdiction. Prior to any application investors are advised to take all necessary legal, regulatory, tax and investment advice on the suitability and consequences of an investment in the products. Past performance is not a reliable indicator of future performance. Any historical performance included in this document may be based on back testing. Back testing is the process of evaluating an investment strategy by applying it to historical data to simulate what the performance of such strategy would have been. Back tested performance is purely hypothetical and is provided in this document solely for informational purposes. Back tested data does not represent actual performance and should not be interpreted as an indication of actual or future performance. The value of any investment may be affected by exchange rate movements. Any decision to invest should be based on the information contained in the appropriate prospectus and after seeking independent investment, tax and legal advice. These products may not be available in your market or suitable for you. The content of this document does not constitute investment advice nor an offer for sale nor a solicitation of an offer to buy any product or make any investment.**

An investment in exchange-traded products (“ETPs”) is dependent on the performance of the underlying index, less costs, but it is not expected to match that performance precisely. ETPs involve numerous risks including among others, general market risks relating to the relevant underlying index, credit risks on the provider of index swaps utilised in the ETP, exchange rate risks, interest rate risks, inflationary risks, liquidity risks and legal and regulatory risks.

The information contained in this document is not, and under no circumstances is to be construed as, an advertisement or any other step in furtherance of a public offering of shares in the United States or any province or territory thereof, where none of the issuers or their products are authorised or registered for distribution and where no prospectus of any of the issuers has been filed with any securities commission or regulatory authority. No document or information in this document should be taken, transmitted or distributed (directly or indirectly) into the United States. None of the issuers, nor any securities issued by them, have been or will be registered under the United States Securities Act of 1933 or the Investment Company Act of 1940 or qualified under any applicable state securities statutes.

This document may contain independent market commentary prepared by WisdomTree based on publicly available information. Although WisdomTree endeavours to ensure the accuracy of the content

in this document, WisdomTree does not warrant or guarantee its accuracy or correctness. Any third party data providers used to source the information in this document make no warranties or representation of any kind relating to such data. Where WisdomTree has expressed its own opinions related to product or market activity, these views may change. Neither WisdomTree, nor any affiliate, nor any of their respective officers, directors, partners, or employees accepts any liability whatsoever for any direct or consequential loss arising from any use of this document or its contents.

This document may contain forward looking statements including statements regarding our belief or current expectations with regards to the performance of certain assets classes and/or sectors. Forward looking statements are subject to certain risks, uncertainties and assumptions. There can be no assurance that such statements will be accurate and actual results could differ materially from those anticipated in such statements. WisdomTree strongly recommends that you do not place undue reliance on these forward-looking statements.

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

#### **WisdomTree Issuer X Limited**

The products discussed in this document are issued by WisdomTree Issuer X Limited (the “Issuer”). Investors should read the prospectus of the Issuer before investing and should refer to the section of the prospectus entitled “Risk Factors” for further details of risks associated with an investment in the securities offered by the Issuer.

Securities issued by the Issuer are direct, limited recourse obligations of the Issuer alone and are not obligations of or guaranteed by any of Swissquote Bank Ltd (“Swissquote”), Coinbase Custody Trust Company LLC (“Coinbase”), BitGo Trust Company, Inc (“BitGo”) any of their affiliates or anyone else or any of their affiliates. Each of Swissquote, Coinbase and BitGo disclaims all and any liability whether arising in tort, contract or otherwise which it might have in respect of this document or its contents otherwise arising in connection herewith.

**The product discussed in this document is an unregulated ETP, approved to trade on certain regulated exchanges within Europe and the UK. Cryptocurrencies are a high-risk investment and may not be suitable for all types of investors. Prospective investors should be aware that the price of the underlying asset(s) by which the securities are secured can demonstrate higher volatility than other asset classes and consequently the value of the securities may be extremely volatile. You must ensure that the nature, complexity and risks associated with cryptocurrencies are suitable for your objectives in light of your circumstances and financial position.**

**Don't invest unless you're prepared to lose all the money you invest. This is a high-risk investment and you should not expect to be protected if something goes wrong.**

#### **Take 2 mins to learn more**

**The digital assets underlying WisdomTree's exchange traded products are held using secure, institutional-grade custody solutions that prevent unauthorised access or movement. Digital assets are primarily stored offline in cold wallets and their transfer requires authorisation from multiple**

**independent parties with a redundancy of locations, communication methods and authentication devices.**

**Our operational processes are regularly updated to protect against evolving threats and are kept confidential for security reasons.**

#### **MEGA Index Disclaimer**

COINDESK® and CoinDesk 5 Equal Weight Settlement Index (the “Index”) are trade or service marks of CoinDesk Indices, Inc. (“CDI”), the administrator of the Index, and/or its licensors. CDI or CDI's licensors own all proprietary rights in the Index.

CDI is not affiliated with WisdomTree Issuer X Limited (the “Issuer”) and does not approve, endorse, review, or recommend WisdomTree Physical Crypto Mega Cap Equal Weight (the “Product”). CDI does not guarantee the timeliness, accurateness, or completeness of any data or information relating to the Index and shall not be liable in any way to the Issuer, investors in or holders of the Product or other third parties in respect of the use or accuracy of the Index or any data included therein.

#### **BLOC Index Disclaimer**

COINDESK® and CoinDesk 5 Settlement Index (the “Index”) are trade or service marks of CoinDesk Indices, Inc. (“CDI”), the administrator of the Index, and/or its licensors. CDI or CDI's licensors own all proprietary rights in the Index.

CDI is not affiliated with WisdomTree Issuer X Limited (the “Issuer”) and does not approve, endorse, review, or recommend WisdomTree Physical Crypto Mega Cap (the “Product”). CDI does not guarantee the timeliness, accurateness, or completeness of any data or information relating to the Index and shall not be liable in any way to the Issuer, investors in or holders of the Product or other third parties in respect of the use or accuracy of the Index or any data included therein.

#### **ALTC Index Disclaimer**

COINDESK® and CoinDesk 10 Capped ex Bitcoin Settlement Index (the “Index”) are trade or service marks of CoinDesk Indices, Inc. (“CDI”), the administrator of the Index, and/or its licensors. CDI or CDI's licensors own all proprietary rights in the Index.

CDI is not affiliated with WisdomTree Issuer X Limited (the “Issuer”) and does not approve, endorse, review, or recommend WisdomTree Physical Crypto Altcoins (the “Product”). CDI does not guarantee the timeliness, accurateness, or completeness of any data or information relating to the Index and shall not be liable in any way to the Issuer, investors in or holders of the Product or other third parties in respect of the use or accuracy of the Index or any data included therein.

#### **SOLW Index Disclaimer**

COINDESK® and CoinDesk Solana Benchmark London Settlement Rate (the “Index”) are trade or service marks of CoinDesk Indices, Inc. (“CDI”), the administrator of the Index, and/or its licensors. CDI or CDI's licensors own all proprietary rights in the Index.

CDI is not affiliated with WisdomTree Issuer X Limited (the “Issuer”) and does not approve, endorse, review, or recommend WisdomTree Physical Solana (the “Product”). CDI does not guarantee the timeliness, accurateness, or completeness of any data or information relating to the Index and shall not be liable in any way to the Issuer, investors in or holders of the Product or other third parties in respect of the use or accuracy of the Index or any data included therein.

### **ADAW Index Disclaimer**

COINDESK® and CoinDesk Cardano Benchmark London Settlement Rate (the “Index”) are trade or service marks of CoinDesk Indices, Inc. (“CDI”), the administrator of the Index, and/or its licensors. CDI or CDI's licensors own all proprietary rights in the Index.

CDI is not affiliated with WisdomTree Issuer X Limited (the “Issuer”) and does not approve, endorse, review, or recommend WisdomTree Physical Cardano (the “Product”). CDI does not guarantee the timeliness, accurateness, or completeness of any data or information relating to the Index and shall not be liable in any way to the Issuer, investors in or holders of the Product or other third parties in respect of the use or accuracy of the Index or any data included therein.

### **DOTW Index Disclaimer**

COINDESK® and CoinDesk Polkadot Benchmark London Settlement Rate (the “Index”) are trade or service marks of CoinDesk Indices, Inc. (“CDI”), the administrator of the Index, and/or its licensors. CDI or CDI's licensors own all proprietary rights in the Index.

CDI is not affiliated with WisdomTree Issuer X Limited (the “Issuer”) and does not approve, endorse, review, or recommend WisdomTree Physical Polkadot (the “Product”). CDI does not guarantee the timeliness, accurateness, or completeness of any data or information relating to the Index and shall not be liable in any way to the Issuer, investors in or holders of the Product or other third parties in respect of the use or accuracy of the Index or any data included therein.

### **XRP Index Disclaimer**

COINDESK® and CoinDesk XRP Benchmark London Settlement Rate (the “Index”) are trade or service marks of CoinDesk Indices, Inc. (“CDI”), the administrator of the Index, and/or its licensors. CDI or CDI's licensors own all proprietary rights in the Index.

CDI is not affiliated with WisdomTree Issuer X Limited (the “Issuer”) and does not approve, endorse, review, or recommend WisdomTree Physical XRP (the “Product”). CDI does not guarantee the timeliness, accurateness, or completeness of any data or information relating to the Index and shall not be liable in any way to the Issuer, investors in or holders of the Product or other third parties in respect of the use or accuracy of the Index or any data included therein.

### **BTCW Index Disclaimer**

COINDESK® and CoinDesk Bitcoin Benchmark London Settlement Rate (the “Index”) are trade or service marks of CoinDesk Indices, Inc. (“CDI”), the administrator of the Index, and/or its licensors. CDI or CDI's licensors own all proprietary rights in the Index.

CDI is not affiliated with WisdomTree Issuer X Limited (the “Issuer”) and does not approve, endorse, review, or recommend WisdomTree Physical Bitcoin (the “Product”). CDI does not guarantee the timeliness, accurateness, or completeness of any data or information relating to the Index and shall not be liable in any way to the Issuer, investors in or holders of the Product or other third parties in respect of the use or accuracy of the Index or any data included therein.

### **ETHW Index Disclaimer**

COINDESK® and CoinDesk Ethereum Benchmark London Settlement Rate (the “Index”) are trade or

service marks of CoinDesk Indices, Inc. (“CDI”), the administrator of the Index, and/or its licensors. CDI or CDI's licensors own all proprietary rights in the Index.

CDI is not affiliated with WisdomTree Issuer X Limited (the “Issuer”) and does not approve, endorse, review, or recommend WisdomTree Physical Ethereum (the “Product”). CDI does not guarantee the timeliness, accurateness, or completeness of any data or information relating to the Index and shall not be liable in any way to the Issuer, investors in or holders of the Product or other third parties in respect of the use or accuracy of the Index or any data included therein.

#### **XLMW Index Disclaimer**

COINDESK® and CoinDesk Stellar Benchmark London Settlement Rate (the “Index”) are trade or service marks of CoinDesk Indices, Inc. (“CDI”), the administrator of the Index, and/or its licensors. CDI or CDI's licensors own all proprietary rights in the Index.

CDI is not affiliated with WisdomTree Issuer X Limited (the “Issuer”) and does not approve, endorse, review, or recommend WisdomTree Physical Stellar Lumens (the “Product”). CDI does not guarantee the timeliness, accurateness, or completeness of any data or information relating to the Index and shall not be liable in any way to the Issuer, investors in or holders of the Product or other third parties in respect of the use or accuracy of the Index or any data included therein.

#### **LIST Index Disclaimer**

COINDESK® and CoinDesk Lido Staked Ether Benchmark Extended London Settlement Rate (the “Index”) are trade or service marks of CoinDesk Indices, Inc. (“CDI”), the administrator of the Index, and/or its licensors. CDI or CDI's licensors own all proprietary rights in the Index.

CDI is not affiliated with WisdomTree Issuer X Limited (the “Issuer”) and does not approve, endorse, review, or recommend WisdomTree Physical Lido Staked Ether (the “Product”). CDI does not guarantee the timeliness, accurateness, or completeness of any data or information relating to the Index and shall not be liable in any way to the Issuer, investors in or holders of the Product or other third parties in respect of the use or accuracy of the Index or any data included therein.

#### **CoinDesk20 Index Disclaimer**

COINDESK® and COINDESK 20 INDEX (CD20) (the “Index”) are trade or service marks of CoinDesk Indices, Inc. (“CDI”), the administrator of the Index, and/or its licensors. CDI or CDI's licensors own all proprietary rights in the Index.

CDI is not affiliated with WisdomTree Issuer X Limited (the “Issuer”) and does not approve, endorse, review, or recommend WisdomTree Physical CoinDesk 20 (the “Product”). CDI does not guarantee the timeliness, accurateness, or completeness of any data or information relating to the Index and shall not be liable in any way to the Issuer, investors in or holders of the Product or other third parties in respect of the use or accuracy of the Index or any data included therein.

#### **For Investors in Switzerland:**

This document constitutes an advertisement of the financial product(s) mentioned herein.

The prospectus (in English only), a summary of the WIXL prospectus (in German, French and Italian) and the key investor information documents (KID) (in German, French and Italian) are available from

WisdomTree's website: <https://www.wisdomtree.eu/en-ch/resource-library/prospectus-and-regulatory-reports>

**Monaco:** This communication is only intended for duly registered banks and/or licensed portfolio management companies in Monaco. This communication must not be sent to the public in Monaco.

**For Investors in Israel:**

Offering materials for the offering of the securities have not been filed with or approved or disapproved by the United States Securities and Exchange Commission or any other state or federal regulatory authority, nor has any such regulatory authority passed upon or endorsed the merits of this offering or passed upon the accuracy or completeness of any offering materials. Any representation to the contrary is unlawful. The products mentioned herein have not been approved by the Israel Securities Authority and will only be distributed to Israeli residents in a manner that will not constitute "an offer to the public" under sections 15 and 15a of the Israel Securities Law, 5728-1968 ("the Securities Law") or section 25 of the Joint Investment Trusts Law, 5754-1994 ("the Joint Investment Trusts Law"), as applicable. The products are being offered to a limited number of investors (35 investors or fewer during any given 12 month period) and/or those categories of investors listed in the First Addendum ("the Addendum") to the Securities Law, "Sophisticated Investors") who in each case have provided written confirmation that they qualify as Sophisticated Investors, and that they are aware of the consequences of such designation and agree thereto; in all cases under circumstances that will fall within the private placement or other exemptions of the Joint Investment Trusts Law, the Securities Law and any applicable guidelines, pronouncements or rulings issued from time to time by the Israel Securities Authority.

This prospectus or this document may not be reproduced or used for any other purpose, nor be furnished to any other person other than those to whom copies have been sent. Any offeree who purchases a product is purchasing such product for its own benefit and account and not with the aim or intention of distributing or offering such product to other parties (other than, in the case of an offeree which is a Sophisticated Investor by virtue of it being a banking corporation, portfolio manager or member of the Tel-Aviv Stock Exchange, as defined in the Addendum, where such offeree is purchasing a product for another party which is a Sophisticated Investor).

Nothing in this document should be considered investment advice or investment marketing as defined in the Regulation of Investment Counselling, Investment Marketing and Portfolio Management Law, 5755-1995. Investors are encouraged to seek competent investment counselling from a locally licensed investment counsel prior to making the investment. A recipient of this document may be required to provide confirmation that it is a Sophisticated Investor purchasing a product for its own account or, where applicable, for other Sophisticated Investors.

**For Investors in Brazil:**

The Securities may not be offered or sold to the public in Brazil. Accordingly, the Securities have not been nor will they be registered with the Brazilian Securities Commission - CVM nor has it been submitted to the foregoing agency for approval. Documents relating to the Securities, as well as the information contained therein, may not be supplied to the public in Brazil, as the offering of the Securities is not a public offering of securities in Brazil, nor used in connection with any offer for subscription or sale of securities to the public in Brazil.

**For Investors in Chile:**

Date of the offer: WisdomTree Issuer X Limited prospectus is dated 29 October 2025.

(i) This offer is made pursuant to Rule 336 issued by the Comisión para el Mercado Financiero of Chile

(CMF);

(ii) This offer deals with securities that are not registered in the Securities Registry nor in the Foreign Securities Registry kept by the CMF, and that are, therefore, not subject to the supervision of the CMF;

(iii) Given that the securities are not registered, there is no obligation for the issuer to disclose in Chile public information about said securities; and

(iv) The securities may not be publicly offered as long as they are not registered in the corresponding Securities Registry.

Fecha de inicio de la oferta: WisdomTree Issuer X Limited el prospecto está fechado 29 de Octubre de 2025.

(i) La presente oferta se acoge a la Norma de Carácter General N° 336 de la Comisión para el Mercado Financiero (CMF) de Chile.

(ii) La presente oferta versa sobre valores no inscritos en el Registro de Valores o en el Registro de Valores Extranjeros que lleva la Comisión para el Mercado Financiero, por lo que los valores sobre los cuales ésta versa, no están sujetos a su fiscalización;

(iii) Que por tratarse de valores no inscritos, no existe la obligación por parte del emisor de entregar en Chile información pública respecto de estos valores; y

(iv) Estos valores no podrán ser objeto de oferta pública mientras no sean inscritos en el Registro de Valores correspondiente.

#### **For Investors in Costa Rica:**

This is an individual and private offer which is made in Costa Rica upon reliance on an exemption from registration before the General Superintendence of Securities (“SUGEVAL”), pursuant to article 6 of the Regulations on the Public Offering of Securities (“Reglamento sobre Oferta Pública de Valores”). This information is confidential, and is not to be reproduced or distributed to third parties as this is NOT a public offering of securities in Costa Rica. The product being offered is not intended for the Costa Rican public or market and neither is it registered or will be registered before the SUGEVAL, nor can be traded in the secondary market.

#### **For Investors in El Salvador**

This document has been produced for the purpose of providing information about the exchange traded products (ETPs). This document is made available on the condition that it is for the use only by the recipient and may not be passed on to any other person or be reproduced in any part. The ETPs have not been and will not be offered in the course of a public offering or of equivalent marketing in El Salvador and therefore, the provisions of the Stock Market Law of 1994 (Ley del Mercado de Valores) as amended, relating to registration requirements and to prospectus requirements do not apply. The ETPs have thus neither been registered for public distribution in El Salvador with the Stock Superintendency nor been the subject matter of a prospectus compliant with the Stock Market Law. Any subscription application by any person other than the initial recipient of the document will be rejected.

#### **For Investors in Mexico:**

The Securities have not been and will not be registered with the National Registry of Securities,

maintained by the Mexican National Banking and Securities Commission and, as a result, may not be offered or sold publicly in Mexico. The fund and any underwriter or purchaser may offer and sell the Securities in Mexico on a private placement basis to Institutional and Accredited Investors pursuant to Article 8 of the Mexican Securities Market Law.

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

#### **For Investors in Panama**

Estos valores no han sido registrados ante la Superintendencia del Mercado de Valores de Panamá, ni la oferta, venta o transacciones sobre ellos. La exención del registro se hace en base al numeral 3 del Artículo 83 del Decreto Ley 1 de 8 de julio de 1999 (Inversionistas Institucionales). En consecuencia, el tratamiento fiscal establecido en los Artículos 269 al 271 del Decreto Ley 1 de 8 de julio de 1999, no les es aplicable. Estos valores no se encuentran bajo la supervisión de la Superintendencia del Mercado de Valores de Panamá.

#### **For Investors in Peru:**

The Securities have not been registered before the Superintendencia del Mercado de Valores (SMV) and are being placed by means of a private offer. SMV has not reviewed the information provided to the investor. The WisdomTree Issuer X Limited prospectus is only for the exclusive use of institutional investors in Peru and is not for public distribution.

#### **For Investors in Uruguay:**

The sale of the Securities qualifies as a private placement pursuant to section 2 of Uruguayan law 18,627. The Securities must not be offered or sold to the public in Uruguay, except in circumstances which do not constitute a public offering or distribution under Uruguayan laws and regulations. The Securities are not and will not be registered with the Financial Services Superintendency of the Central Bank of Uruguay.

#### **US Offshore**

The securities have not been and will not be registered under the United States Securities Act of 1933, as amended (“the 1933 Act”) or the securities laws of any of the states of the United States. The securities may not be offered, sold or delivered directly or indirectly in the United States or to or for the account or benefit of any “US Person”. The securities are being offered outside the United States pursuant to the exemption from registration under Regulation S under the 1933 Act. Offering materials for the offering of the securities have not been filed with or approved or disapproved by the United States Securities and Exchange Commission or any other state or federal regulatory authority, nor has any such regulatory authority passed upon or endorsed the merits of this offering or passed upon the accuracy or completeness of any offering materials. Any representation to the contrary is unlawful.



WisdomTree.eu  
+44 (0) 207 448 4330