

# DTCC

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## WisdomTree tapped DTCC Digital Assets (formerly Securrency) to create a new digital marketplace for mainstream financial assets

### Introduction

WisdomTree is a global financial innovator, offering a diversified suite of exchange traded products (ETPs), models and solutions. The company empowers investors to shape their future and supports financial professionals to better serve their clients and grow their businesses. WisdomTree leverages the latest financial infrastructure to create products that provide access, transparency, and an enhanced user experience.

Building on their heritage of innovation, WisdomTree launched a blockchain-native digital wallet, WisdomTree Prime™ in partnership with DTCC Digital Assets (formerly Securrency). WisdomTree Prime™ delivers tokenized assets via digital wallets for retail investors. With the DTCC Digital Assets' Capital Markets Platform (CMP) providing compliance aware tokenization, account management services, analytics, and multi-chain issuance, WisdomTree is leveraging blockchain innovation to improve asset issuance and expand distribution channels by going direct to retail consumers.



Leveraging DTCC Digital Assets blockchain technology, WisdomTree is bringing traditional finance into the digital ecosystem



## The Challenge

The retail funds industry continues to be attractive to investors, but asset managers are experiencing substantial growth challenges due to fee compression and industry consolidation. New digital business models are required to thrive in this environment. WisdomTree's goal was to diversify their offering and redefine their business model. They landed on blockchain technology to enhance their fund structure and improve the investor experience.

Blockchain can reduce friction and costs resulting from the many intermediaries involved in traditional financial transactions. However, digital assets investments available to retail investors are largely unregulated cryptocurrencies and more complex products. WisdomTree wanted to offer a more familiar and user-friendly experience for investors by applying blockchain and tokenization technology to traditional asset classes.

As visionaries and first movers in this space, WisdomTree saw that tokenization could disrupt exchange traded retail investment products the same way exchange-traded funds (ETFs) disrupted mutual funds. ETFs democratized access to public markets, changing the way the industry met consumer needs. The parallels to tokenization are clear. Just like an ETF is a convenient wrapper for asset class exposure, tokenization can be a convenient, more technologically evolved wrapper for distribution and functionality.

## The Opportunity

WisdomTree saw an opportunity to fill the gap between self-custody crypto wallets, which require technical ability to operate, and centralized accounts available through crypto exchanges. Their goal was to create a solution with a mainstream user experience. To accomplish this, they needed secure blockchain infrastructure technology.

“**The vision is for any investor globally to have access to sophisticated, digitized financial services that are highly compliant, reliable, and secure. First movers like WisdomTree are realizing this vision by leveraging blockchain technology to strive for greater functionality and efficiency and we're excited to help drive this financial revolution with them.**”

- Dan Doney  
CTO DTCC Digital Assets



“**Tokenization will be the structured and transparent products of tomorrow, making it a natural evolution of WisdomTree's business model.**”

- Jonathan Steinberg  
CEO, WisdomTree

# The Solution

## Leveraging DTCC Digital Assets Technology

### Reach new distribution channels by going direct to retail consumers via a mobile digital wallet app

In July 2023 WisdomTree launched a direct-to consumer digital wallet app called WisdomTree Prime™. This app contains blockchain-enabled financial services familiar to consumers, combined with the benefits of choice, transparency, and inclusivity. WisdomTree Prime™ allows users to access a range of digital assets and digital funds for investing, saving, and spending. Available assets include both native crypto assets and tokenized versions of traditional financial assets and blockchain-enabled funds. The app offers users the same functionality as traditional banking and investment — such as direct-deposit, money transfer to friends, and retirement savings — through state-of-the-art, next-gen technology. Users can connect a debit card for day-to-day spending and invest in a wide range of tokenized assets.

DTCC Digital Assets built WisdomTree's digital wallet app from the ground up on blockchain rails with DeFi concepts. WisdomTree is using DTCC Digital Assets Capital Markets Platform's Account Management Services and APIs to unify payments with investing processes. For example, if a user has a position in treasuries earning better interest than they would in a savings account, they could buy a coffee and pay for it by automatically converting some treasuries to cash at the point-of-sale. Cash and tokens are also linked to facilitate real-time conversions with other bank and treasury accounts.



WisdomTree Prime allows users to invest, save, and spend with digital assets

## Why DTCC Digital Assets?

WisdomTree has been innovating new ways to leverage blockchain technology and improve the consumer experience. The company chose to partner with DTCC Digital Assets because we provide:

- The industry's most comprehensive, modular solution, the Capital Markets Platform (CMP), that speeds time-to-market and accelerates revenue by bringing together critical elements of a successful digital marketplace including: automated and interoperable blockchain-based infrastructure, the patented Compliance Aware Token® Framework, advanced account management services, analytics and regulatory reporting, and easy access through web portals and mobile apps
- Automated compliance that integrates compliance rules into security tokens and increases global liquidity transactions and real-time movement of value across jurisdictions
- Multi-ledger and cross-ledger transaction processing using DTCC Digital Assets patented transaction management technology that is ledger-agnostic, enforces common compliance rules, and is future-proof as ledgers continue to evolve
- Easier creation, greater flexibility of compliant asset tokens that can move across multiple networks
- Extensive and secure account management
- Advanced Web3 analytics and reports on global transactions to support regulatory compliance, reconciliation and full audit trail reporting, detect problematic transactions, and gain insights into market and consumer trends to expand services
- Open APIs, portals, and a white-label mobile wallet app that speed integration with existing administrative systems and consumer-facing applications

Expand your global distribution with compliance, account management, and analytics services.



Learn how at [dtcc.com/dtcc-digital-assets](https://dtcc.com/dtcc-digital-assets)

WisdomTree achieved an important milestone in September 2022 with the WisdomTree Short-Term Treasury Digital Fund (WTSYX), an open-ended and registered product under the 1940 Act, becoming effective with the U.S. Securities and Exchange Commission (SEC). In December 2022, the company announced that an additional nine new digital funds became effective with the SEC covering strategies including U.S. treasuries, income, and equities. As of the publication date of this document, WisdomTree is actively managing a diverse portfolio of 13 digital funds – all powered by DTCC Digital Assets' blockchain technology.

# About Our Innovative Technology

**DTCC's Capital Markets Platform (CMP) delivers scalable, cloud-based solutions tailored to meet the needs of modern operations.** It provides full-stack token lifecycle management for issuers and adaptable, mobile-enabled account and wallet management for distributor firms. Users can access CMP through pre-configured interfaces or via robust, standards based Web2 APIs. The solution streamlines integration with blockchain technology.

CMP is built on top of DTCC Digital Assets' patented Compliance Aware Token® Framework. This framework enables WisdomTree to issue tokens with embedded jurisdiction specific compliance rules as well as identity authorization and authentication requirements.

For Transfer Agency activities, WisdomTree is using CMP technology to:

- Maintain a master security file holding file that tracks real-time issuance and share transfer
- Manage communication between issuers and shareholders, ensuring that the official record of share ownership is correct
- Reclaim erroneous transactions

And, with DTCC Digital Assets' Account Management Services and LedgerScan Web3 Analytics, WisdomTree can:

- Onboard investors with secure identity management, authorization, and authentication to transact and hold assets
- Apply KYC and AML compliance
- Subscribe and redeem tokens, and instantly settle transactions against tokenized cash
- Monitor asset holdings and transactions
- Analyze and report on transaction data and trends

## The Future

**WisdomTree continues to expand the WisdomTree Prime™ offering.**

As WisdomTree's CEO, Jonathan Steinberg, said "We are building in a disciplined and measured manner, and we will roll out to more states and users as we enhance our third-party distribution capabilities with these digital asset and blockchain enabled products and services. Our focus on continuously innovating the products and services and adding new features will distinguish us in the marketplace and help drive future growth."

The company's roadmap began with a unique consumer experience from which it will evolve the platform and launch new products, services, and functionality, with the goal of unifying spending, savings, and investing. WisdomTree is leveraging DTCC Digital Assets technology to create a consumer finance super app and a digital wallet that aim to deliver faster and cheaper financial services to consumers with better outcomes than exist today.

WisdomTree's digital assets and blockchain enabled initiatives represent an innovative way for asset managers to generate new revenue streams that can scale quickly and accelerate sustainable growth in the long run.

DTCC Digital Assets is at the forefront of driving institutional adoption of digital technology with a steadfast commitment to innovation anchored in security and soundness. As the financial services industry's trusted technology partner, we pride ourselves on empowering a globally interconnected and efficient economy.



To learn more about us, please visit [dtcc.com/dtcc-digital-assets](https://dtcc.com/dtcc-digital-assets)

### About Compliance Aware Token® Framework

**The Compliance Aware Token® Framework (CATF)** powers all of DTCC Digital Assets' offerings, providing real-time enforcement of regulatory rules that are validated as transactions are executed. CATF automates complex multi-jurisdictional regulatory and transactional policies, enabling efficient regulated asset tokenization. This comprehensive solution manages both on-chain and off-chain data to meet regulatory requirements. It supports token issuance, distribution control and transaction operations across blockchain and DLT networks, including centralized and DeFi exchanges.

### About DTCC

DTCC is the premier post-trade market infrastructure for the global financial services industry. From 20 locations around the world, DTCC, through its subsidiaries, automates, centralizes, and standardizes financial transaction processing, mitigating risk, increasing transparency, enhancing performance, and driving efficiency for broker/dealers, custodian banks and asset managers. Visit [www.dtcc.com](https://www.dtcc.com) for more.

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DTCC Digital Assets offers scalable institutional-grade technology solutions for clients to create and manage the life cycle of tokenized assets. Our capabilities support multiple blockchains, provide advanced on-chain data access and actionable intelligence, facilitate near-real-time payments, and automate back and middle office functions, all while prioritizing regulatory compliance. Designed for interoperability with a client's existing systems and capabilities, DTCC Digital Assets' solutions will provide the foundation for an industry-wide ecosystem bridging DeFi with TradFi.