

## WisdomTree Gold Token

### Purpose

The primary purpose of the WisdomTree Gold Token (“GOLD”) is to provide WisdomTree Prime App Users that buy GOLD with an ownership interest in gold bullion in digital form.

### Overview

WisdomTree Digital Movement, Inc. (“WDM”) acts as the issuer of GOLD. GOLD is a digital token recorded on the Stellar blockchain or Ethereum blockchain representing electronic document of title to physical gold. GOLD is designed to function as a title transfer instrument to the underlying London Gold Market Association (“LBMA”) gold of a uniform grade. GOLD represents ownership of a one-troy ounce portion of an LBMA gold bar. All gold associated with GOLD conforms to the LBMA’s Good Delivery standards and is maintained with a gold custodian via its vaulting facilities located in London. The gold custodian has contractually committed to maintain a continuous allocation (*i.e.*, segregation) process whereby each gold bar associated GOLD is segregated within the gold custodian’s vaults with a serial number in accordance with LBMA’s Good Delivery standards.

Each holder of GOLD (“Token Holder”) can verify on a daily basis the aggregate weight of LBMA gold associated with all GOLD outstanding via the daily metal bar list made available on the App (the “Bar List”). The gold bars held at the gold custodian will be audited by an independent metal audit firm, which will inspect the gold held at the gold custodian to ensure that it matches in all respects the gold bars disclosed as held on the Bar List.

GOLD holders may redeem their GOLD for physical gold, subject to holding the applicable minimum redemption amounts and payment of applicable fees, taxes, shipping charges and other terms of the User Agreement. GOLD holders may contact Customer Support in order to receive information regarding the minimum requirements that must be satisfied in order to exchange their GOLD for physical gold. These requirements include, among other things: (i) a minimum redemption amount of one GOLD and minimum increments of whole GOLD; (ii) an account with a financial institution that can accept delivery in the jurisdiction in which WDM’s metal agent(s) will deliver (currently London); (iii) payment of relevant fees; and (iv) satisfying relevant know-your-customer screening requirements. To the extent GOLD redemption involves residual cash, all residual cash amounts provided to GOLD holders will be determined based on the LBMA Gold Price for the same grade and quality gold at the time of redemption. Residual cash will generally be provided in WisdomTree Dollar Tokens.

WDM charges fees for purchasing and selling GOLD as set forth in the fee schedule available in FAQs.

### Risks

*Gold Risk.* The value of GOLD is directly related to the value of an equivalent investment in gold. The price of gold (and, accordingly, GOLD) does fluctuate and may be affected by numerous factors including supply and demand, the global financial markets and other political, financial or

economic events, which will negatively impact gold prices and the value of GOLD. Adverse movements in the price of gold will negatively affect the return to GOLD holders who sell their GOLD when the price of the relevant gold has decreased since the time they purchased their GOLD. General movements in local and international markets and factors that affect the investment climate and sentiment could all affect the level of trading and, therefore, the market price of gold and this may lead to a fall in the price of gold which will have an adverse impact on any GOLD holder that purchased GOLD at a higher price. GOLD holders should be aware that gold can go down in price as well as up and GOLD may lose value.

*Blockchain Technology Risk.* Blockchain technology is a relatively new and untested technology which operates as a distributed ledger. The risks associated with blockchain technology may not emerge until the technology is widely used. Blockchain systems could be vulnerable to fraud, particularly if a significant minority of participants colluded to defraud the rest. Access to a given blockchain requires an individualized key, which, if compromised, could result in loss due to theft, destruction or inaccessibility. There is little regulation of blockchain technology other than the intrinsic public nature of the blockchain system. Any future regulatory developments could affect the viability and expansion of the use of blockchain technology. There are currently a number of competing blockchain platforms with competing intellectual property claims. The uncertainty inherent in these competing technologies could cause companies to use alternatives to blockchain. In addition, blockchain networks may undergo technological developments.

*Cybersecurity Risk.* WDM and its service providers, as well as the App, wallets, and blockchain networks, may be susceptible to operational and information security risks resulting from a breach in cybersecurity, including cyber-attacks. A breach in cybersecurity, intentional or unintentional, may adversely impact WDM or a Token Holder in many ways, including, but not limited to, disruption of WDM's operational capacity, loss of proprietary information, theft or corruption of data, denial-of-service attacks on websites or network resources, and the unauthorized release of confidential or personal information. Cyber-attacks affecting WDM's third-party service providers, App, wallet, or blockchain network may subject WDM (and Token Holders) to many of the same risks associated with direct cybersecurity breaches.

*Operational Risk.* WDM, its service providers, GOLD, the App, wallets, and blockchain networks, may experience disruptions that arise from human error, processing and communications errors, counterparty or third-party errors, technology or systems failures, any of which may have an adverse impact on the value or settlement of GOLD. Although WDM and its service providers seek to mitigate these operational risks through their internal controls and operational risk management processes, these measures may not identify or may be inadequate to address all such risks.