

# WisdomTree Government Money Market Digital Fund FAQs

## *Accessing the Power of a Tokenized Government Money Market Fund*

### **WHAT IS THE WISDOMTREE GOVERNMENT MONEY MARKET DIGITAL FUND (WTGXX)?**

WTGXX is the WisdomTree Government Money Market Digital Fund – an open-end government money market fund, registered under the Investment Company Act of 1940 (“1940 Act”). Its objective is to provide a high level of current income consistent with capital preservation and liquidity, while maintaining a stable net asset value (NAV) of \$1.00 per share. By policy, WTGXX invests at least 99.5% of its assets in U.S. government securities, cash, and repurchase agreements collateralized fully by government securities or cash.

### **WHY STRUCTURE WTGXX AS A 1940 ACT FUND?**

The 1940 Act framework delivers robust investor protections, including:

- Requiring that independent board members play a key role in oversight
- Bankruptcy remoteness, with assets held in segregated custody accounts
- Compliance with Rule 2a-7, ensuring high liquidity, maturity limits, diversification, risk management and transparency

The fund also qualifies as a cash equivalent under ASC 305 for accounting purposes and meets reserve eligibility for ERISA and NYDFS compliance frameworks.

### **WHAT DOES IT MEAN TO BE A RULE 2a-7 FUND?**

Rule 2a-7 is a regulatory framework established under the Investment Company Act of 1940 that governs the structure, operation, and risk management practices of money market funds. Under this framework, WTGXX is specifically designed to maintain a stable net asset value (NAV) of \$1.00 per share while ensuring a high degree of liquidity and capital preservation. By adhering to Rule 2a-7, a money market fund like WTGXX is permitted to use **amortized cost accounting**, which simplifies valuation and supports the consistent \$1.00 NAV objective — provided the fund strictly complies with a comprehensive set of investment and risk limitations.

Key provisions of Rule 2a-7 include:

+ **Weighted Average Maturity (WAM)  $\leq$  60 Days**

The fund's portfolio must maintain a short average maturity to reduce interest rate risk and ensure responsiveness to market conditions. This cap helps preserve NAV stability, especially in volatile rate environments.

+ **Minimum Liquidity Requirements**

To support timely redemptions and operational resiliency, the fund must hold:

- At least **25% of assets in daily liquid instruments**, which include securities that mature or are redeemable within one business day
- At least **50% of assets in weekly liquid assets**, which include securities that mature or are redeemable within five business days

+ **Diversification and Credit Quality Standards**

Rule 2a-7 imposes strict credit criteria on eligible investments and limits the exposure to any single issuer or counterparty. This reduces the likelihood that a default or downgrade could materially affect the portfolio.

+ **Ongoing Risk Monitoring & Reporting**

Funds must conduct **daily “shadow NAV” calculations** (mark-to-market value of the portfolio), even though they publish a constant \$1.00 NAV. They must also regularly perform **stress tests** to evaluate how the portfolio might perform under adverse conditions, such as interest rate shocks, high redemption scenarios, or credit events.

+ **Board Oversight and Governance**

The fund's board of trustees (including independent members) must approve written procedures for compliance and regularly review stress test results and liquidity levels to ensure proper risk controls are in place.

Together, these provisions seek to ensure that Rule 2a-7 money market funds maintain high liquidity, stability, and transparency — enabling them to serve as effective cash management tools for both institutional and retail investors.

## WHO INVESTS IN WTGXX AND WHY?

WTGXX is designed to meet the needs of a wide range of investors across traditional finance, digital asset markets, and emerging tokenized ecosystems.

- + **Stablecoin Issuers:** These entities require transparent, regulated, and high-quality reserves to support their token issuance. WTGXX can serve as a credible onchain cash equivalent that meets strict accounting and regulatory requirements while providing daily liquidity and stable NAV reporting.
- + **Institutional Cash Managers and Corporate Treasuries:** These investors can use WTGXX as a stable, liquid allocation for excess cash, operational reserves, and liquidity buffers. With its 1940 Act structure, the fund offers oversight and compliance alignment with frameworks like ERISA, GAAP, and NYDFS.
- + **Digital Asset Platforms and DeFi Integrators:** We are exploring partnerships to increase the adoption of WTGXX in Web3 use cases. Its tokenized structure enables integrations with smart contract-based systems for use as collateral in lending, margin, and liquidity protocols.

WisdomTree continues to seek to expand WTGXX's role within a programmable money infrastructure by enabling integrations with atomic settlement platforms, automated yield workflows, and tokenized financial applications.

## HOW DO I ACCESS THE FUND?

WTGXX is available through both retail and institutional channels:

U.S. Retail Investors can purchase WTGXX through the WisdomTree Prime® mobile app. Users fund their account via ACH or direct deposit and can invest with as little as \$1.

- + Institutions can access WTGXX through WisdomTree Connect™, our secure web-based and API-enabled platform. Institutional investors can subscribe or redeem using either fiat (USD) or stablecoins (USDC, PYUSD) using our Stablecoin Conversion Service<sup>1</sup>, depending on their operational setup.

## WHAT CURRENCIES/DIGITAL ASSETS CAN I USE TO SUBSCRIBE OR REDEEM?

- + **Retail (WisdomTree Prime):** USD via ACH or linked deposit account.
- + **Institutional (WisdomTree Connect):** USD via wires and USDC, PYUSD (via the Stablecoin Conversion Service<sup>1</sup>) are both supported.

This dual-rail system allows seamless movement between traditional banking infrastructure and blockchain-based ecosystems.

<sup>1</sup>Please note investors cannot directly purchase shares of the Fund via USDC but are processed via the Stablecoin Conversion Service that is an operational process facilitated by WisdomTree.

## IS THE FUND PEER-TO-PEER TRANSFERABLE AND SELF-CUSTODIABLE?

Yes. As of July 2025, WTGXX supports withdrawals to whitelisted, self-custodied wallets on all supported blockchains. This enables peer-to-peer movement of fund shares between approved addresses, offering investors more flexibility in how they hold and manage their positions.

Retail users may continue to hold WTGXX within WisdomTree Prime's custodial environment, while institutional clients and advanced users can manage their own wallet infrastructure, subject to compliance controls such as KYC/AML and wallet whitelisting.

## WHAT ARE THE CUT-OFF TIMES FOR SAME-DAY SETTLEMENT?

- + **12:00 p.m. ET:** Final order placement deadline for same-day pricing.
- + **1:00 p.m. ET:** Deadline for receipt of funds to qualify for same-day settlement.

Orders that meet both cut-offs are processed at the 4:00 p.m. NYSE NAV and settle T+0. Orders received after either cut-off will roll to the next business day.

## WHAT IS THE MINIMUM INVESTMENT?

WTGXX is designed for accessibility and inclusivity across user types. The minimum investment is **\$1**, making the fund available to a wide spectrum of investors, from individuals testing digital financial products to institutions deploying large-scale allocations.

## WHAT IS THE FUND'S AUM AND YIELD?

As of **June 30, 2025**, WTGXX has **\$487 million** in assets under management. The **SEC 30-Day Yield and the 30-day yield** is posted daily at: [WTGXX fund page](#)

The Fund's yield may be affected by changes in interest rates and changes in credit ratings. Income and/or dividends are not guaranteed.

## WHAT IS THE DIFFERENCE BETWEEN A 30-DAY AND 7-DAY SEC YIELD?

The 7-day yield is standardized and governed by SEC rules to provide transparent and comparable metrics for money market funds. WisdomTree leverages both:

- + **SEC 7-Day Yield:** Represents the income earned over the past 7 days, annualized. The 7-day yield quotation more closely reflects the current earnings of the money market fund than the total return.
- + **30-Day Yield:** Represents the income earned over the past 30 days, annualized. Both yields reflect income **net of fees**, giving investors an annualized, after-expense view of returns.

**Performance data shown represents past performance and is no guarantee of future results. Current performance may be higher or lower than that quoted. The Fund's yield may be affected by changes in interest rates and changes in credit ratings. Income and/or dividends are not guaranteed.**

## WHAT IS THE FUND'S WEIGHTED AVERAGE MATURITY?

The **Weighted Average Maturity (WAM)** is updated daily at: [WTGXX fund page](#). Per Rule 2a-7, the WAM must remain below 60 days at all times to ensure high liquidity and minimal interest rate sensitivity. A shorter WAM enables the portfolio to rotate quickly and reinvest at current market yields.

## IS WTGXX ACTIVELY OR PASSIVELY MANAGED?

WTGXX is **actively managed**, allowing the investment team to seek to optimize outcomes within the regulatory limits of Rule 2a-7. Portfolio managers have discretion to:

- + Adjust allocations between Treasury bills, agency debt, and repurchase agreements
- + Fine-tune portfolio duration to respond to interest rate changes
- + Manage liquidity reserves and anticipate market flows

This flexibility supports yield optimization while preserving the core objectives of capital preservation and liquidity.

## HOW ARE DIVIDENDS PAID?

Income accrues daily and is paid **monthly**. Investors can choose to receive dividends in **cash**, **stablecoin** (via the Stablecoin Conversion Service), or reinvest them as additional fund shares. Dividend preferences are configurable within the investor's WisdomTree account interface.

## WHAT DOES “DAILY ACCRUAL” MEAN?

Daily accrual means that each calendar day’s net income is recorded on a per-share basis for all fund shareholders. If your investment is received by the 1:00 p.m. ET cut-off, you begin accruing income that same day. At month-end, all accumulated daily accruals are distributed according to your selected dividend preference.

## IS THERE A SECONDARY MARKET?

No. WTGXX is not exchange-listed. All investor transactions take place directly via **WisdomTree Prime** or **WisdomTree Connect**, at that day’s published NAV. This ensures transparent, fair-value pricing for subscriptions and redemptions without secondary market volatility.

## WHAT ARE THE FEES?

- + **Expense Ratio:** 0.25%
- + **Gas Fees:** Covered by WisdomTree during primary purchase. Investors pay gas fees for redemptions and when transferring tokens between wallets.
- + **Burn Fees:** None currently apply. This may be subject to change; refer to the latest prospectus and disclosures.

## HOW IS THE EXPENSE RATIO APPLIED?

All reported distributions are **net of expenses**, meaning investors receive income after all management fees are deducted. The 0.25% expense ratio is factored into the daily NAV and accrual calculations, with no separate billing or wallet charges.

## WHICH BLOCKCHAINS ARE SUPPORTED?

WTGXX operates natively on: **Ethereum, Stellar, Avalanche, Arbitrum, Base, and Optimism**. This multi-chain support enhances distribution, accessibility, and composability with various digital ecosystems.

## WHAT WALLET OPTIONS ARE AVAILABLE?

- + **Retail (WisdomTree Prime):** Offers a fully custodial experience, where wallet keys are securely managed by WisdomTree.
- + **Institutional and Advanced Users:** May connect self-custodied wallets or third-party custodians (e.g., **BitGo, Fireblocks**). All wallets must pass KYC/AML checks and be whitelisted prior to use.

## **WHAT ARE THE TAX CONSIDERATIONS?**

Income earned is taxed as **ordinary interest** and is reportable when dividends are paid or reinvested. Capital gains (if any) are treated separately. Investors should consult the WTGXX prospectus and their tax advisor for specific guidance.

## **WHO MANAGES THE PORTFOLIO?**

**Voya Investment Management** serves as sub-adviser for WTGXX. The portfolio team actively manages maturity, liquidity tiers, and issuer exposure within the Rule 2a-7 regulatory framework. Daily stress tests and shadow NAV monitoring are conducted under the oversight of independent board members.

## **WHERE CAN I FIND HOLDINGS AND REPORTS?**

Fund transparency is a core principle of WTGXX. Investors can find:

- + **Monthly portfolio holdings**
- + **Audited financials**
- + **Form N-CSR and N-CEN filings**

All reports are available on the [WTGXX fund page](#) (“Prospectus and Regulatory Information”) and the **SEC’s EDGAR system**.

**For more information about WTGXX, please contact your WisdomTree representative or visit [WisdomTree.com/investments](https://www.wisdomtree.com/investments).**

See the [WisdomTree Glossary](#) for definitions of terms and indexes.

## IMPORTANT INFORMATION

**This information must be preceded or accompanied by a prospectus, [click here](#) to view or download prospectus. We advise you to consider the fund's objectives, risks, charges and expenses carefully before investing. The prospectus contains this and other important information about the fund. Please read the prospectus carefully before you invest.**

There are risks associated with investing, including possible loss of principal. Because the Fund is new, it has limited performance history. Blockchain technology is a relatively new and untested technology, with little regulation. Potential risks include vulnerability to fraud, theft, or inaccessibility, and future regulatory developments effect its viability.

**You could lose money by investing in the Fund. Although the Fund seeks to preserve the value of your investment at \$1.00 per share, it cannot guarantee it will do so. An investment in the Fund is not a bank account and is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. The Fund's adviser is not required to reimburse the Fund for losses, and you should not expect that the adviser will provide financial support to the Fund at any time, including during periods of market stress.**

Neither WisdomTree, Inc., nor its affiliates, nor Foreside Fund Services, LLC, or its affiliates provide tax advice. All references to tax matters or information provided on this site are for illustrative purposes only and should not be considered tax advice and cannot be used for the purpose of avoiding tax penalties. Investors seeking tax advice should consult an independent tax advisor.

The Fund is actively managed using proprietary investment strategies and processes. There can be no guarantee that these strategies and processes will be successful or that the Fund will achieve its investment objective. Poor security selection could cause the fund to underperform relevant benchmarks or other funds with a similar investment objective. U.S. Treasury obligations may provide relatively lower returns than those of other securities. Changes to the financial condition or credit rating of the U.S. government may cause the value to decline. Fixed income securities are subject interest rate, credit, inflation, and reinvestment risks. A decline in the credit quality of an issuer or a provider of credit support or a maturity-shortening structure for a security can cause the price of a money market security to decrease. Generally, as interest rates rise, the value of fixed-income securities falls. Cybersecurity attacks affecting the Fund's third-party service providers, App, blockchain network, or the issuers of securities in which the Fund invests may subject the Fund to many of the same risks associated with direct cybersecurity breaches.

**[WisdomTree.com/investments](https://www.wisdomtree.com/investments)**



**Blockchain Fees, Functionality and Transaction Processing:** Users of blockchains must pay transaction fees to the blockchain in order to validate or facilitate a transaction, which may be in the form of the native digital asset for the operation of such blockchain (e.g., lumens for Stellar or ether for Ethereum). These transaction fees for purchase and redemption of Fund shares through the App or Portal will be the responsibility of WisdomTree Digital Management or its affiliates; Fund investors will not be required to purchase any such blockchain native digital asset, such as lumens or ether, or other applicable digital asset, to purchase or redeem shares through the App or Portal. Delays in transaction processing have been known to occur on blockchains. Such a delay may occur on account of, among other things, the inability of nodes to reach consensus on transactions. Nodes, which are typically hosted by third parties with specific hardware, generally form the infrastructure of a blockchain. Nodes on a blockchain are connected to each other and they exchange the latest blockchain data and verification and confirmation of transactions requires a consensus of nodes. During a delay in transaction processing, it will not be possible to record transactions in the digital representation of Fund shares on the blockchain. Should such a delay occur for an extended period of time, the fund could choose to effect transactions with shareholders manually (i.e., in book-entry form) until such time as the network has resumed normal operation. The fund may choose to reevaluate the suitability of a particular blockchain in the event of future or recurring delays.

### **Digital Asset Services**

Digital asset services, including the stablecoin conversion service, WisdomTree Prime, WisdomTree Connect, are made available through WisdomTree Digital Movement, Inc., a federally registered money services business, state-licensed money transmitter and financial technology company (NMLS ID: 2372500) or WisdomTree Digital Trust Company, LLC, in select U.S. jurisdictions and may be limited where prohibited by law. WisdomTree Digital Trust Company, LLC is chartered as a limited purpose trust company by the New York State Department of Financial Services to engage in virtual currency business.

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