



# WisdomTree Energy Transition Metals and WisdomTree Battery Metals



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WisdomTree Energy Transition Metals (WENT) and WisdomTree Battery Metals (WATT) offer investors a gateway into the clean tech and battery metals sectors. As the energy transition gains momentum, spurred by global commitments and regulatory advancements, these exchange-traded commodities (ETCs) provide refined and targeted exposure to metals essential for driving this change.








## **The Paris Agreement and decarbonization**

The 2015 Paris Agreement set an ambitious goal: limit greenhouse gas emissions to keep global warming below 1.5 degrees Celsius this century. Throughout history, energy systems have evolved, but the current low carbon phase is extraordinary. It brings fresh commodity demand, opening avenues for investors to support decarbonisation.

Beyond just environmental targets, the Agreement has underscored societal ambitions in the global energy framework. The mission now is twofold: ensuring energy security and access for a population projected to reach 10 billion by 2050 and cutting greenhouse gas emissions by over

100%. Simultaneously, there's a significant drive across electric vehicles, energy storage, and renewable sources, spurring demand for certain mined commodities.

### Energy transition commodities and applications

	 Electric Vehicles	 Transmission	 Charging Infrastructure	 Storage	 Solar Generation	 Wind Generation	 Hydrogen
Aluminium	✓	✓	✓	✓	✓	✓	
Cobalt	✓			✓			
Copper	✓	✓	✓	✓	✓	✓	
Lithium	✓			✓			
Nickel	✓			✓			✓
Platinum							✓
Silver						✓	
Tin						✓	
Zinc	✓		✓	✓	✓	✓	

Source: Wood Mackenzie, 2023

### A new renewable energy race has begun

Policymakers around the world have committed to the net-zero goal, with some regions ramping up their policy undertakings. China is leading the effort in deployment, with close to half of car sales moving to a New Energy Vehicle drivetrain. China accounts for close to 80% of global photovoltaics production (most of which are used in China). The US Inflation Reduction Act (IRA) and the European Union's REPowerEU (REU) and Critical Raw Materials Act indicate that the US and European Union would like to catchup. They present not just regulatory support for the energy shift but also boost the prospects of commodities used in the renewable energy sector.

### 2050 demand forecasts point to energy transition dominating growth for various metals

Mined commodities are present in several energy transition sectors and the energy transition could be the largest driver of metal demand. According to Wood Mackenzie (2024), an accelerated energy transition will boost demand for some mined commodities and circa US\$325 billion needs to be invested by 2030 to overcome the expected supply gaps.

## WisdomTree’s strategies in collaboration with Wood Mackenzie

WisdomTree has leveraged its partnership with Wood Mackenzie, a leading energy transition research and consulting firm that has been providing quality data, analytics, and insights used to power the energy, renewables, and natural resources industry for nearly 50 years.

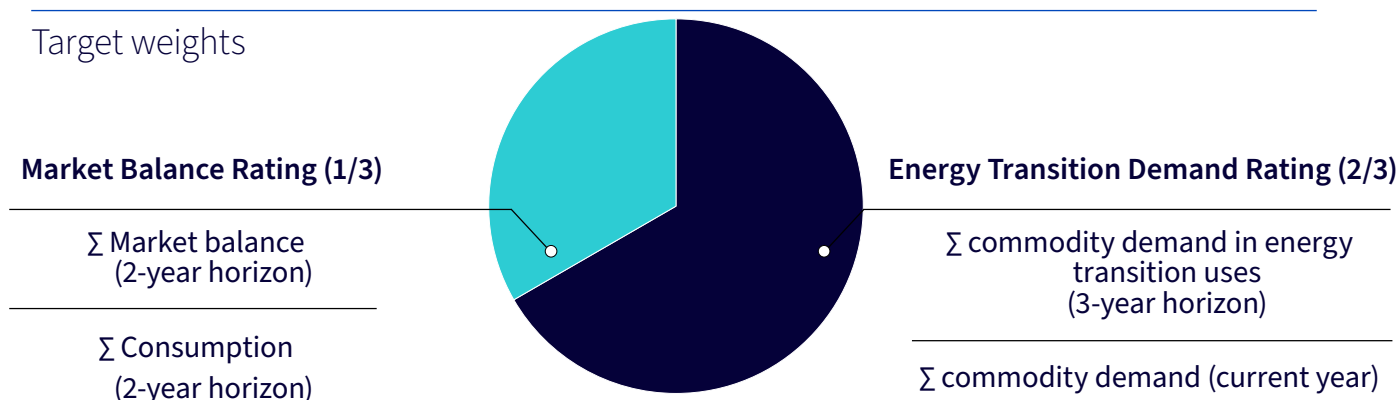
These WisdomTree proprietary strategies aim to track the price of commodity futures exposed to the energy transition theme, which include, but are not limited to electric vehicles, transmission, charging, energy storage, solar, wind, and hydrogen production.

- + **WisdomTree Energy Transition Metals:** It tracks the WisdomTree Energy Transition Metals Commodity Index TR, which encapsulates the wide spectrum of the energy transition, offering exposure to copper, nickel, aluminium, silver, zinc, tin, platinum, lithium and cobalt.
- + **WisdomTree Battery Metals:** It tracks the WisdomTree Battery Metals Commodity Index TR, which concentrates on the battery sector, offering targeted exposure to nickel, aluminium, copper, zinc, lithium and cobalt.

### Target weights

The selection and weighting of the underlying metals is based on an **intensity rating**. The intensity rating combines an Energy Transition Demand Rating (reflecting the demand growth forecast for the metal in Energy Transition<sup>1</sup>) with a Market Balance Rating (reflecting whether the metal is under or over supplied). More emphasis is placed on the **demand rating** (with a two-third weight).

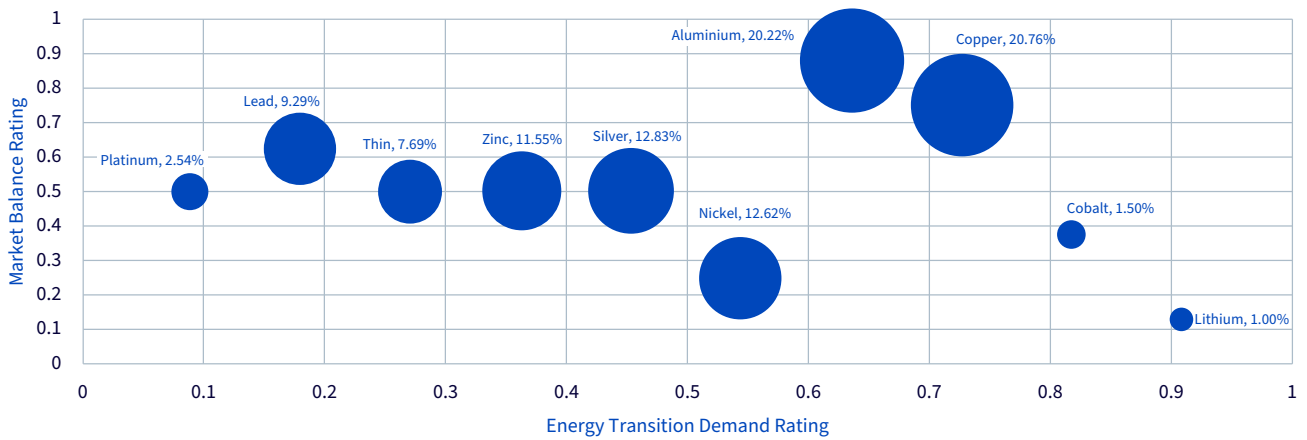
Metal futures also need to be liquid for them to be included in the strategy. The least liquid futures, cobalt and lithium, are capped at 5% and 2% respectively so as not to compromise the liquidity of the basket. However, target weights may be set at a lower level due to liquidity considerations.



Source: WisdomTree, January 2025. Indices went live on 3rd February 2022. Index modifications made on July 2024 to include Market Balance Ratings.

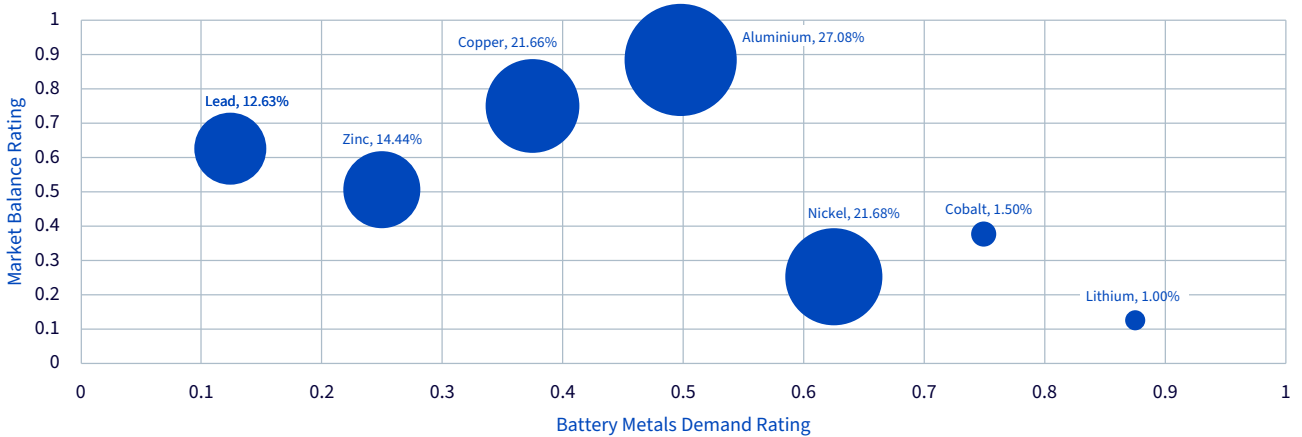
<sup>1</sup> Battery transition for the Battery basket

## Energy Transition Basket Target Weights



Source: WisdomTree, Wood Mackenzie, based on forecasts created in December 2024. Bubble size represents the target weight. Market balance ratings not considered for precious metals and not available for tin. For purpose of the chart construction, we set the Market balance rating at the midpoint (0.5) for these metals. Cobalt and Lithium weights are capped due to liquidity considerations at 1.5% and 1.0% respectively. **Forecasts are not an indicator of future performance and any investments are subject to risks and uncertainties.**

## Battery Metals Basket Target Weights



Source: WisdomTree, Wood Mackenzie, based on forecasts created in December 2024. Bubble size represents the target weight. Cobalt and Lithium weights are capped due to liquidity considerations at 1.5% and 1.0% respectively. **Forecasts are not an indicator of future performance and any investments are subject to risks and uncertainties.**

## Why WisdomTree Energy Transitions Metals and WisdomTree Battery Metals ETCs?

- + **Diversified exposure:** Both ETCs provide diversified and targeted access to key metal commodities that are involved in energy transition technologies.
- + **Expert-driven approach:** Developed in collaboration with Wood Mackenzie, the ETCs leverage industry insights, offering informed and forward-looking investment strategies.
- + **First to market:** The introduction of lithium and cobalt exposure signifies a pioneering move in the commodity ETP space in Europe.
- + **Incorporates both supply and demand** considerations in the weighting methodology

### Listing information: WisdomTree Energy Transition Metals

Ticker	Exchange	ISIN	Bloomberg Code	Listing Currency	Base Currency	MER%
WENT	LSE	XS2425848053	WENT LN	USD	USD	0.45
NRGT	LSE	XS2425848053	NRGT LN	GBx	USD	0.45
WENT	Borsa Italiana	XS2425848053	WENT IM	EUR	USD	0.45
NRGT	Xetra	XS2425848053	WENT GY	EUR	USD	0.45
WENT	Euronext Paris	XS2425848053	WENT FP	EUR	USD	0.45

MER: Management expense ratio.

### Listing information: WisdomTree Battery Metals

Ticker	Exchange	ISIN	Bloomberg Code	Listing Currency	Base Currency	MER%
WATT	LSE	XS2425842106	WATT LN	USD	USD	0.45
AMPS	LSE	XS2425842106	AMPS LN	GBx	USD	0.45
WATT	Borsa Italiana	XS2425842106	WATT IM	EUR	USD	0.45
WATT	Xetra	XS2425842106	WATT GY	EUR	USD	0.45

MER: Management expense ratio.

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