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## WisdomTree Global Automotive Innovators UCITS ETF

The WisdomTree Global Automotive Innovators UCITS ETF allows investors to capture the megatrends transforming the automotive and mobility industry through a focused, yet diversified, exposure to the key segments driving the change.

Rapid innovation in transportation promises not only cutting-edge solutions to the world's evolving mobility needs, but decarbonisation of a sector that accounts for around 12% of greenhouse gas emissions<sup>1</sup>. An intelligent exposure to companies transforming the automotive and mobility ecosystem presents an exciting opportunity for investors. We see four megatrends currently driving the transformation of the global automotive and mobility industry. These are as follows:



**Connectivity:** Connected vehicles will not only improve on-board communication but turn vehicles into another edge device, facilitating data exchange between the car and its environment. Technology changes towards software-defined vehicles are coming that will unlock an entirely new level of functionality for drivers.



**Autonomous Driving:** Benefits of autonomous driving include safety, fuel efficiency, cost reduction, and freeing up human time. In addition to its use in passenger vehicles, it can also create new solutions for long-haul trucking, last-mile distribution, and public transport.



**Shared Mobility:** With cities becoming increasingly congested and struggling to meet consumers' needs for individual mobility, shared mobility will offer an alternative solution. This could not only reduce the financial burden on individuals and city planners but also help the environment by cutting emissions.



**Electrification:** Battery electric vehicles could account for 53% of passenger vehicle sales worldwide by 2034, up from 6% in 2021, and 73% by 2040<sup>2</sup>. The environmental benefits of electric vehicles will continue to impel governments to facilitate this technology.

## Partnership for expertise in thematic investing within the automotive and mobility industry

To capture this exciting investment opportunity presented by the four megatrends mentioned above, WisdomTree has partnered with two experts.



**Berylls Strategy Advisors (Berylls)** was founded over 10 years ago and today, with almost 200 employees brings a clear focus on the trends shaping the future of the automotive and mobility industry. Berylls' dedicated automotive and mobility industry expertise allows them to build strategies for their industry clients and to form bottom-up views on the universe of companies poised to benefit from automotive and mobility megatrends.



**LeanVal Research (LeanVal)** was founded in 1991. The team combines extensive automotive and mobility industry and academic experience, utilising a data-driven approach for doing fundamental research and designing equity strategies.

WisdomTree has brought this existing partnership between the two industry experts into an investable solution.

<sup>1</sup> Our World in Data as of 2020.

<sup>2</sup> According to Bloomberg New Energy Finance forecasts from June 2022.

## Index Methodology Summary

The WisdomTree Berylls LeanVal Global Automotive Innovators TR Index combines the expertise of our two partners to build a focused, but diversified exposure to the ecosystem of companies innovating in the automotive and mobility industry and ranking highly in their evaluation of fundamentals. This is achieved through exposure to five key segments of automobility: Original Equipment Manufacturers, Suppliers, Mobility Service Providers, Infrastructure Developers and Dealers and aftermarkets.

From an initial universe of around 300+ companies which derive at least 50% of their revenue from the automotive and mobility industry, 100 companies are selected and weighted based on their float adjusted market capitalisation<sup>3</sup>. These companies are then subjected to the ESG screening criteria defined within the WisdomTree ESG framework. For information on the WisdomTree approach to ESG, visit our [responsible investing page](#).

Index composition is based on the companies that have the highest combined Berylls focus score and LeanVal fundamental score, with an equal weight to both measures.

**The Berylls focus score:** Berylls leverages its proprietary analytical model to produce a compound industry focus measure for each company in the universe based on three key criteria (weighted as shown):

- + Company strategy (60%)
- + Industry relationships (35%)
- + Public sentiment (5%)

**The LeanVal fundamental score:** The same universe of companies receives a fundamental score from LeanVal based on their evaluation of the following five factors: Value, Quality, Stability, Growth and Momentum.

The Index is reconstituted on a semi-annual basis following the close of trading on the third Friday in March and September. Companies are weighted by marketcap subject to max weight 2.5% and min weight at 0.5%. The full methodology document that includes all relevant index details is available on WisdomTree's [website](#).

## Why is the WisdomTree Global Automotive Innovators UCITS ETF a promising investment opportunity?

- + **Capturing four megatrends:** A pure yet diversified approach to access four megatrends in automobility: connectivity; autonomous driving; shared mobility; and electrification
- + **Driven by experts:** The selection of companies in the index is done by experts in the automotive and mobility theme who have identified the five key automotive and mobility sectors that capture the megatrends and take a bottom-up approach to evaluating companies within the universe
- + **Built with robustness:** A unique methodology that combines a focus score (alignment with the megatrends) with a fundamental score (an equity multi-factor approach).

Fund information: WisdomTree Global Automotive Innovators UCITS ETF						
Ticker	Exchange	ISIN	Bloomberg Code	Listing Currency	Base Currency	TER %
WCAR	LSE	IE000TB3YTV4	WCAR LN	USD	USD	0.45%
CARS	LSE	IE000TB3YTV4	CARS LN	GBX	USD	0.45%
WCAR	Borsa Italiana	IE000TB3YTV4	WCAR IM	EUR	USD	0.45%
WTGA	XETRA	IE000TB3YTV4	WTGA GY	EUR	USD	0.45%
WCAR	SIX	IE000TB3YTV4	WCAR SW	USD	USD	0.45%

TER: Total Expense Ratio.

<sup>3</sup> "Float-adjusted" means that the share amounts used in calculating the Index reflect only shares available to investors.

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