



WisdomTree Europe Defence UCITS ETF



WisdomTree.eu
+44 (0) 207 448 4330

WisdomTree Europe Defence UCITS ETF

The WisdomTree Europe Defence UCITS ETF (WDEF) offers investors targeted exposure to Europe's evolving defence sector. By focusing exclusively on this critical industry, the ETF aims to capitalise on decades of underinvestment in Europe while positioning for growth driven by increased defence spending and long-term strategic priorities.

The increase in European defence spending reflects a strategic pivot towards addressing modern threats and ensuring regional security. European nations are committed to increasing defence budgets to meet the North Atlantic Treaty Organisation's (NATO) 2% GDP target, with many already exceeding it. This shift creates long-term opportunities in areas such as defence manufacturing, technological innovation, and space defence, offering significant growth potential for both established companies and emerging entrants in the industry.

Europe's defence resurgence

Russia's invasion of Ukraine and aggressive posture underscored the vulnerabilities in Europe's defence capabilities, highlighting the need for greater investment. Reducing dependence on the US for security requires Europe to enhance its defence capabilities and develop its own independent, efficient defence strategy. Decades of underinvestment have resulted in significant deficits in operational equipment, ammunition stocks and modernised military capabilities.

The WisdomTree Europe Defence UCITS ETF is designed to capture this unique long-term investment opportunity by focusing on the transformation of Europe's defence sector. By exclusively targeting European defence companies, the ETF seeks to address the underinvestment gap and leverage the sector's growth potential.

With defence spending in Europe now an imperative for self-sufficiency and geopolitical security, key drivers include:



Increased defence budgets: European nations are ramping up spending in areas such as military equipment, cybersecurity, space defence, and artificial intelligence technologies.



Structural shift: The focus on strategic autonomy within Europe signals a long-term commitment to defence investment, beyond immediate geopolitical triggers.



Strategic autonomy: Reducing reliance on US security drives investment in European defence capabilities.



Technological modernisation: European militaries are prioritising investments in modernising outdated equipment, such as advanced fighter jets, naval assets and missile defence systems.



Hedge against geopolitical risks: Defence-focused funds could appeal to risk-conscious investors seeking exposure to sectors likely to benefit during periods of heightened global tension.

This evolving landscape presents a significant opportunity for investors to capitalise on the growth and modernisation of Europe's defence sector.

Index methodology overview

The WisdomTree Europe Defence UCITS ETF aims to replicate the WisdomTree Europe Defence UCITS Index, which is designed to track the performance of European companies primarily involved in the defence industry.

Eligible companies need to be involved in the European defence industry which include manufacturers of civil defence equipment, parts or products, defence electronics and space defence equipment. Companies should derive at least 10% of their revenue from such business activities. The Index seeks to exclude companies that do not meet the Global Standards Screening or are involved in certain controversial weapons, such as anti-personnel mines, cluster munitions, chemical and biological weapons, depleted uranium weapons and white phosphorus weapons and those that support nuclear weapons programs to states outside the Treaty on the Non-Proliferation of Nuclear Weapons (commonly known as the Non-Proliferation Treaty or "NPT"). Companies that meet the revenue criteria as well as additional requirements such as minimum market capitalization and liquidity are included in the Index subject to a minimum of 20 stocks.

Each selected company is assigned an Exposure Score from 1 to 3 based on the revenue exposure to defence activities.

- + Exposure Score 3: companies with > 50% exposure to defence activities
- + Exposure Score 2: companies with 25% to 50% exposure to defence activities

- + Exposure Score 1: companies with 10% to 25% exposure to defence activities

The Index is weighted by free-float market capitalisation adjusted by the Exposure Score, subject to the capping and liquidity adjustment criteria. Companies with higher market capitalisation and Exposure Scores are assigned greater weights. The Index is rebalanced on a semi-annual basis in March and September.

Capping Adjustment: The maximum weight of any security with an Exposure Score 3 is capped at 12.5% and other securities are capped at 7.5%.

Why the WisdomTree Europe Defence UCITS ETF?

- + **Exclusive focus on European defence:** The ETF targets companies directly involved in military equipment and parts production and defence technology development, offering undiluted exposure to the sector's growth potential. With its exclusive focus on the European defence industry, it provides a purer, more targeted exposure and exhibits low overlap with competitors.
- + **Captures the underinvestment gap:** European defence has faced decades of underinvestment, resulting in a significant capability gap. The ETF capitalises on this structural shift as European nations increase defence budgets to meet NATO targets and respond to geopolitical challenges.
- + **Alignment with geopolitical trends:** The ETF is built around a timely and urgent theme focused on Europe's push for strategic autonomy in defence amid rising geopolitical tensions.
- + **Untapped investment theme:** Defence and security are underrepresented in many portfolios. This ETF offers diversification benefits, especially as traditional sectors encounter slowing growth, making it a compelling addition to investment strategies.

ETF information: WisdomTree Europe Defence UCITS ETF

Ticker	Exchange	ISIN	Bloomberg Code	Listing Currency	Base Currency	TER%
WDEF	LSE	IE0002Y8CX98	WDEF LN	EUR	EUR	0.40
WDEP	LSE	IE0002Y8CX98	WDEP LN	GBx	EUR	0.40
EUDF	LSE	IE0002Y8CX98	EUDF LN	USD	EUR	0.40
WDEF	Borsa Italiana	IE0002Y8CX98	WDEF IM	EUR	EUR	0.40
EUDF	XETRA	IE0002Y8CX98	EUDF GY	EUR	EUR	0.40
WDEF	Euronext Paris	IE0002Y8CX98	WDEF FP	EUR	EUR	0.40
WDEF	SIX	IE0002Y8CX98	WDEF SW	USD	EUR	0.40

TER: Total Expense Ratio

Important Information

Marketing communications issued in the European Economic Area (“EEA”): This document has been issued and approved by WisdomTree Ireland Limited, which is authorised and regulated by the Central Bank of Ireland.

Marketing communications issued in jurisdictions outside of the EEA: This document has been issued and approved by WisdomTree UK Limited, which is authorised and regulated by the United Kingdom Financial Conduct Authority.

WisdomTree Ireland Limited and WisdomTree UK Limited are each referred to as “WisdomTree” (as applicable). Our Conflicts of Interest Policy and Inventory are available on request.

This marketing communication has been prepared for professional investors, but the WisdomTree products set out in this document may be available in some jurisdictions to any investors, subject to applicable laws and regulations. As the product may not be authorised or its offering may be restricted in your jurisdiction, it is the responsibility of every person or entity to satisfy themselves as to the full observance of the laws and regulations of the relevant jurisdiction. Prior to any application investors are advised to take all necessary legal, regulatory, tax and investment advice on the suitability and consequences of an investment in the products. Past performance is not a reliable indicator of future performance. Any historical performance included in this document may be based on back testing. Back testing is the process of evaluating an investment strategy by applying it to historical data to simulate what the performance of such strategy would have been. Back tested performance is purely hypothetical and is provided in this document solely for informational purposes. Back tested data does not represent actual performance and should not be interpreted as an indication of actual or future performance. The value of any investment may be affected by exchange rate movements. Any decision to invest should be based on the information contained in the appropriate prospectus and after seeking independent investment, tax and legal advice. These products may not be available in your market or suitable for you. The content of this document does not constitute investment advice nor an offer for sale nor a solicitation of an offer to buy any product or make any investment.

An investment in exchange-traded products (“ETPs”) is dependent on the performance of the underlying index, less costs, but it is not expected to match that performance precisely. ETPs involve numerous risks including among others, general market risks relating to the relevant underlying index, credit risks on the provider of index swaps utilised in the ETP, exchange rate risks, interest rate risks, inflationary risks, liquidity risks and legal and regulatory risks.

The information contained in this document is not, and under no circumstances is to be construed as, an advertisement or any other step in furtherance of a public offering of shares in the United States or any province or territory thereof, where none of the issuers or their products are authorised or registered for distribution and where no prospectus of any of the issuers has been filed with any securities commission or regulatory authority. No document or information

in this document should be taken, transmitted or distributed (directly or indirectly) into the United States. None of the issuers, nor any securities issued by them, have been or will be registered under the United States Securities Act of 1933 or the Investment Company Act of 1940 or qualified under any applicable state securities statutes.

This document may contain independent market commentary prepared by WisdomTree based on publicly available information. Although WisdomTree endeavours to ensure the accuracy of the content in this document, WisdomTree does not warrant or guarantee its accuracy or correctness. Any third party data providers used to source the information in this document make no warranties or representation of any kind relating to such data. Where WisdomTree has expressed its own opinions related to product or market activity, these views may change. Neither WisdomTree, nor any affiliate, nor any of their respective officers, directors, partners, or employees accepts any liability whatsoever for any direct or consequential loss arising from any use of this document or its contents.

This document may contain forward looking statements including statements regarding our belief or current expectations with regards to the performance of certain assets classes and/or sectors. Forward looking statements are subject to certain risks, uncertainties and assumptions. There can be no assurance that such statements will be accurate and actual results could differ materially from those anticipated in such statements. WisdomTree strongly recommends that you do not place undue reliance on these forward-looking statements.

WisdomTree Issuer ICAV

The products discussed in this document are issued by WisdomTree Issuer ICAV (“WT Issuer”). WT Issuer is an umbrella investment company with variable capital having segregated liability between its funds organised under the laws of Ireland as an Irish Collective Asset-management Vehicle and authorised by the Central Bank of Ireland (“CBI”). WT Issuer is organised as an Undertaking for Collective Investment in Transferable Securities (“UCITS”) under the laws of Ireland and shall issue a separate class of shares (“Shares”) representing each fund.

The Fund is described in a Key Information Document (KID) or Key Investor Information Document (KIID) for UK investors, and the prospectus of WT Issuer (“WT Prospectus”). A copy of the WT Prospectus and the KID / KIID is available, for EEA/UK only, in English at www.wisdomtree.eu. Where required under national rules, the KID will also be available in the local language of the relevant EEA Member State. Investors should read the WT Prospectus before investing and should refer to the section of the WT Prospectus entitled ‘Risk Factors’ for further details of risks associated with an investment in the Shares.

The [summary of investor rights](#) associated with an investment in the fund is available in English on WisdomTree Europe’s website. WisdomTree Management Limited may decide to terminate the arrangements made for the marketing of its collective investment undertakings. In such circumstances, shareholders in the affected EEA Member State will be notified of this decision and will be provided with the opportunity to redeem their shareholding in the fund free of any charges or deductions for at least 30 working days from the date of such notification.

Notice to Investors in Switzerland – Qualified Investors

This document constitutes an advertisement of the financial product(s) mentioned herein.

The prospectus and the key investor information documents (KIID) are available from WisdomTree's website: <https://www.wisdomtree.eu/en-ch/resource-library/prospectus-and-regulatory-reports>

Some of the sub-funds referred to in this document may not have been registered with the Swiss Financial Market Supervisory Authority ("FINMA"). In Switzerland, such sub-funds that have not been registered with FINMA shall be distributed exclusively to qualified investors, as defined in the Swiss Federal Act on Collective Investment Schemes or its implementing ordinance (each, as amended from time to time). The representative and paying agent of the sub-funds in Switzerland is Société Générale Paris, Zurich Branch, Talacker 50, PO Box 5070, 8021 Zurich, Switzerland. The prospectus, the key investor information documents (KIID), the articles of association and the annual and semi-annual reports of the sub-funds are available free of charge from the representative and paying agent. As regards distribution in Switzerland, the place of jurisdiction and performance is at the registered seat of the representative and paying agent.

For Investors in France: The information in this document is intended exclusively for professional investors (as defined under the MiFID) investing for their own account and this material may not in any way be distributed to the public. The distribution of the Prospectus and the offering, sale and delivery of Shares in other jurisdictions may be restricted by law. WT Issuer is a UCITS governed by Irish legislation, and approved by the Financial Regulatory as UCITS compliant with European regulations although may not have to comply with the same rules as those applicable to a similar product approved in France. The Fund has been registered for marketing in France by the Financial Markets Authority (Autorité des Marchés Financiers) and may be distributed to investors in France. Copies of all documents (i.e. the Prospectus, the Key Investor Information Document, any supplements or addenda thereto, the latest annual reports and the memorandum of incorporation and articles of association) are available in France, free of charge at the French centralizing agent, Societe Generale at 29, Boulevard Haussmann, 75009, Paris, France. Any subscription for Shares of the Fund will be made on the basis of the terms of the prospectus and any supplements or addenda thereto.

For Investors in Malta: This document does not constitute or form part of any offer or invitation to the public to subscribe for or purchase shares in the Fund and shall not be construed as such and no person other than the person to whom this document has been addressed or delivered shall be eligible to subscribe for or purchase shares in the Fund. Shares in the Fund will not in any event be marketed to the public in Malta without the prior authorisation of the Maltese Financial Services Authority.

For Investors in Monaco: This communication is only intended for duly registered banks and/or licensed portfolio management companies in Monaco. This communication must not be sent to the public in Monaco.



WisdomTree.eu
+44 (0) 207 448 4330