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WisdomTree Artificial Intelligence UCITS ETF



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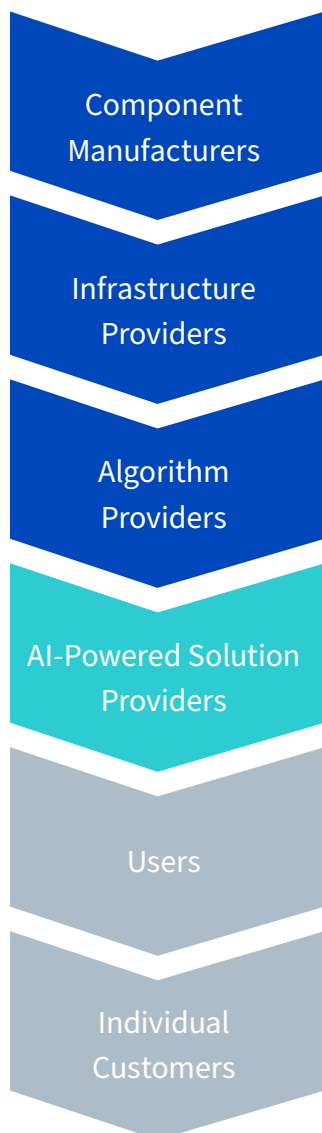
WisdomTree Artificial Intelligence UCITS ETF

Artificial intelligence (AI) is an exciting area of technology that has the potential to change how industries operate and consumers live their lives. From self-driving cars and smart cities, to security and fraud protection and to the ‘internet-of-things’, AI provides limitless possibilities and, in the years ahead, there are likely to be many ways to profit from the technology.

What is the AI value chain?

One of the most exciting aspects of AI regards the fact that in the future it may be the case that all businesses are using it or touching it in some way. From a ‘total addressable market’ perspective, this is remarkable potential. However, from a ‘structuring an investment’ perspective, it is very challenging because if every company is touching AI, it is more important to structure an approach to select companies with more sensitivity to the growth of the AI ecosystem than to include every company even tangentially touching the space.

This is why, at WisdomTree, we tend to think of the AI value chain which is a simplified way to consider how a given company or business model interacts with AI. We see three broad categories:



Enhancers (10% portfolio weight) – Enhancers are companies that provide their own value-added services within the Artificial Intelligence ecosystem but which are not core to their product or service offering. We wanted to recognise how activities of these companies help enhance the AI space.

Enablers (40% portfolio weight) – Enablers are companies that develop the building block components for artificial intelligence such as advanced machinery, autonomous systems/self-driving vehicles, semiconductors, or databases used for machine learning. This is a recognition that AI, as a concept, has been around since the 1940’s and 1950’s, but it is because the infrastructure in 2021 is so much stronger that AI is a megatrend at present, but was difficult to action decades ago.

Engagers (50% portfolio weight) – Engagers are companies that design, create, integrate, or deliver artificial intelligence in the form of products, software, or systems. It is our opinion that these are the most exciting opportunities for AI investment because they are building businesses that depend on selling and spreading AI technology.

Users/adopters are not represented in the index.

It is through the focus on Engagers and Enablers with a smaller slice of Enhancers that, in our view, defines our differentiated approach to AI.

Partnership for artificial intelligence expertise: Consumer Technology Association

WisdomTree has partnered with the Consumer Technology Association (CTA), an expert in the AI space in order to bring unique insight to the selection of companies within the strategy. WisdomTree's approach is encapsulated by the Nasdaq CTA Artificial Intelligence Index, which is then tracked by the WisdomTree Artificial Intelligence UCITS ETF (WTAI).

- CTA, a technology focused trade association, is providing their expertise in AI in order to assess companies, business models and AI technologies. At the semi-annual index rebalancing, it is their knowledge and expertise that is evaluating the companies and informing the stock selection.
- NASDAQ is a globally-recognised leader in many areas, including index calculation. NASDAQ is the third-party calculation agent for the Nasdaq CTA Artificial Intelligence Index.

ESG considerations

WisdomTree understands the importance of Environmental, Social and Governance (ESG) considerations within investment strategies and worked with Nasdaq to introduce ESG screens based on an assessment from Sustainalytics, a leading independent ESG and corporate governance research, ratings and analytics firm:

For information on our approach to ESG, visit our [Responsible Investing page](#).

The full methodology document that includes all relevant index details would be available on WisdomTree's [website](#).

Fund listing information: WisdomTree Artificial Intelligence UCITS ETF

Ticker	Exchange	ISIN	Bloomberg Code	Listing Currency	Base Currency	TER%
WTAI	LSE	IE00BDVPNG13	WTAI LN	USD	USD	0.40
INTL	LSE	IE00BDVPNG13	INTL LN	GBx	USD	0.40
WTAI	Borsa Italiana	IE00BDVPNG13	WTAI IM	EUR	USD	0.40
WTI2	Xetra	IE00BDVPNG13	WTI2 GY	EUR	USD	0.40
WTAI	SIX	IE00BDVPNG13	WTAI SW	USD	USD	0.40
WTAI	Euronext Paris	IE00BDVPNG13	WTAI FP	EUR	USD	0.40

TER: Total expense ratio.

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