

WisdomTree European thematic monthly update

April 2024

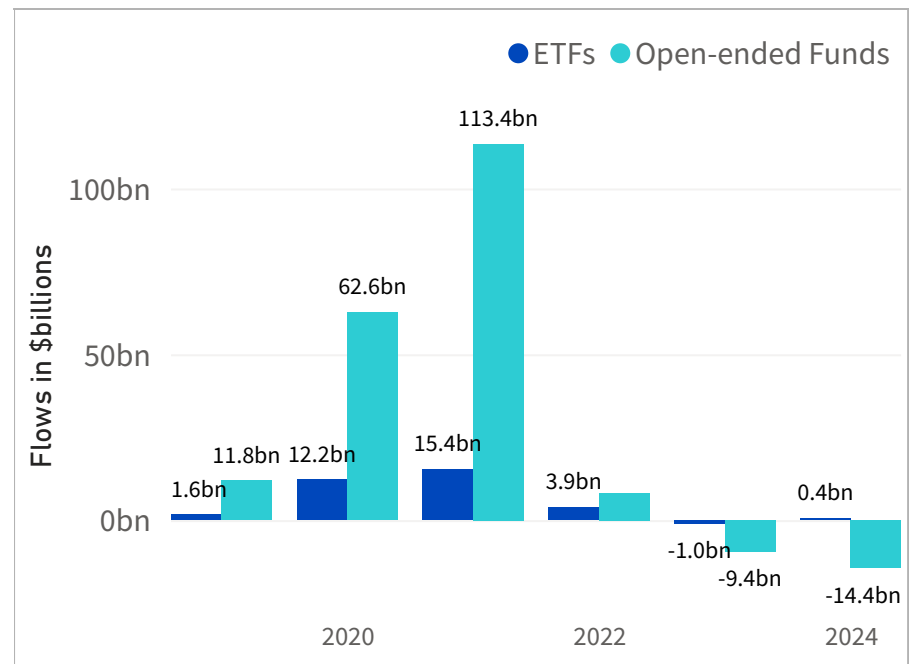
Thematic universe overview

+ AUM in thematic Exchange Traded Funds (“ETFs”) and open-ended funds decreased in April to \$317.6 billion driven mainly by negative performance but also because of outflows. ETF’s market share slightly decreased to around 13.6%, with a total AUM of \$43.2 billion. In April, the AUM went down by \$16.7 billion. ++
+ Performance reversal in April across themes was the key contributor to the AUM decrease within the month, as the net flows into both wrappers were negative with only around -\$3.6 billion.

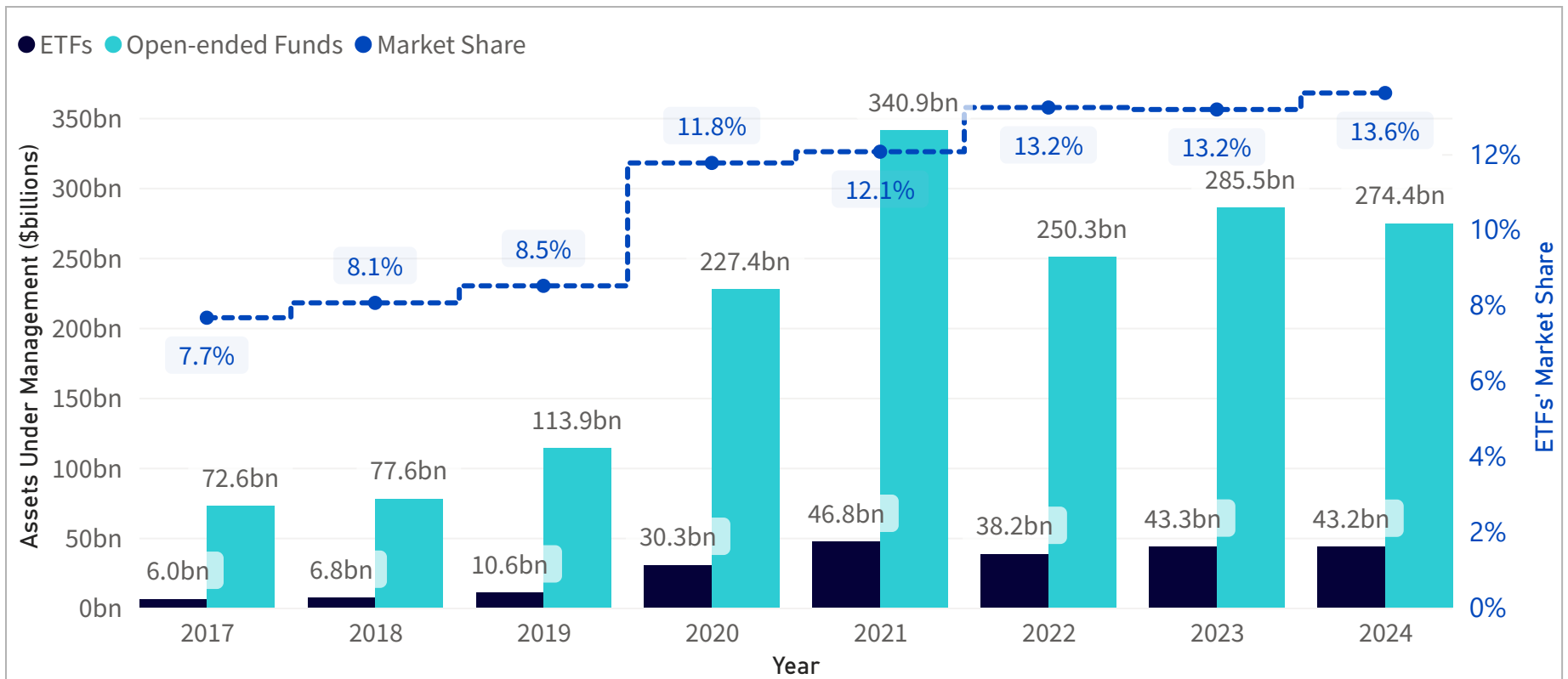
+ Performance in April was negative across almost all the themes while MSCI ACWI posted -3.3%. Only five themes were above flat, with the top performing is “Energy Transition Materials”. Year-to-date, five themes have outperformed the global equity benchmark, with “Rise of Tension” and “Semiconductors” claiming the highest returns.

+ Flows in April were negative across both wrappers across all clusters except “Geopolitical Shifts” in Europe. Open-end funds saw the negative flows continued from last December, driving its YTD flows to -\$14.4 billion, while ETFs remained YTD positive flows despite the outflows at -\$0.4 billion in April.

Recent yearly flows in Europe



Europe-domiciled thematic AUM evolution and ETFs’ market share



Source: WisdomTree, Morningstar, Bloomberg. All data as of 30/04/2024 and based on WisdomTree's internal classification of thematic funds. Performance is based on monthly returns from Bloomberg and Morningstar More information on the WisdomTree Thematic classification can be found in the Appendix. **Historical performance is not an indication of future performance, and any investments may go down in value.**

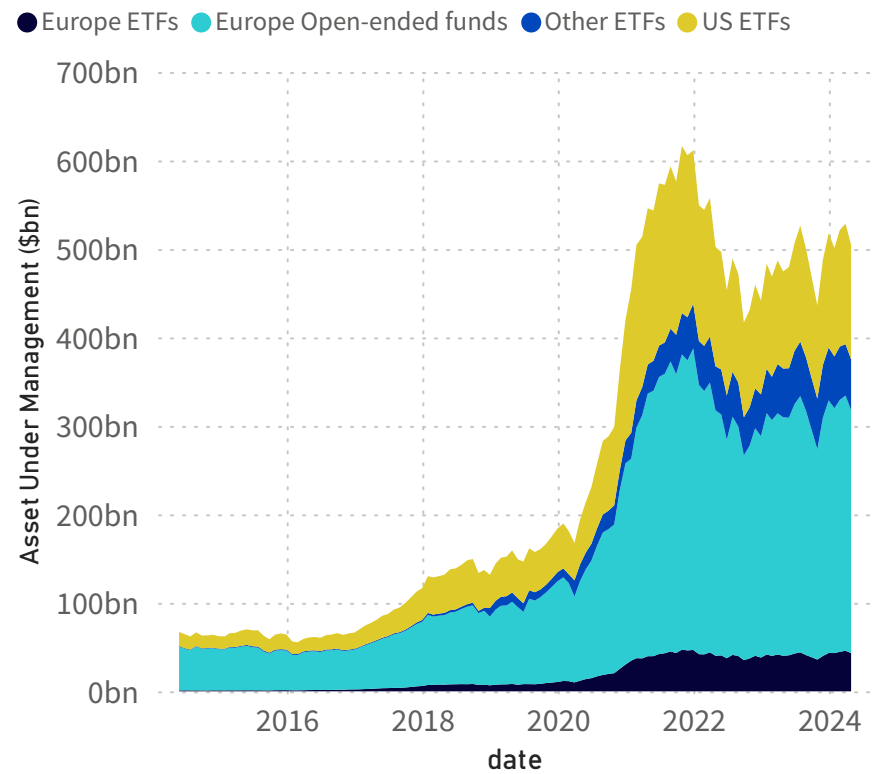
Thematic universe overview (continued)

+ Joint AUM in global thematic ETFs and open-ended funds in Europe dropped in April by 4.5% to \$505 billion. It is also down \$13 billion compared to the end of last year. This decrease is generally driven by the outflows, with YTD outflows at \$12.8 billion.

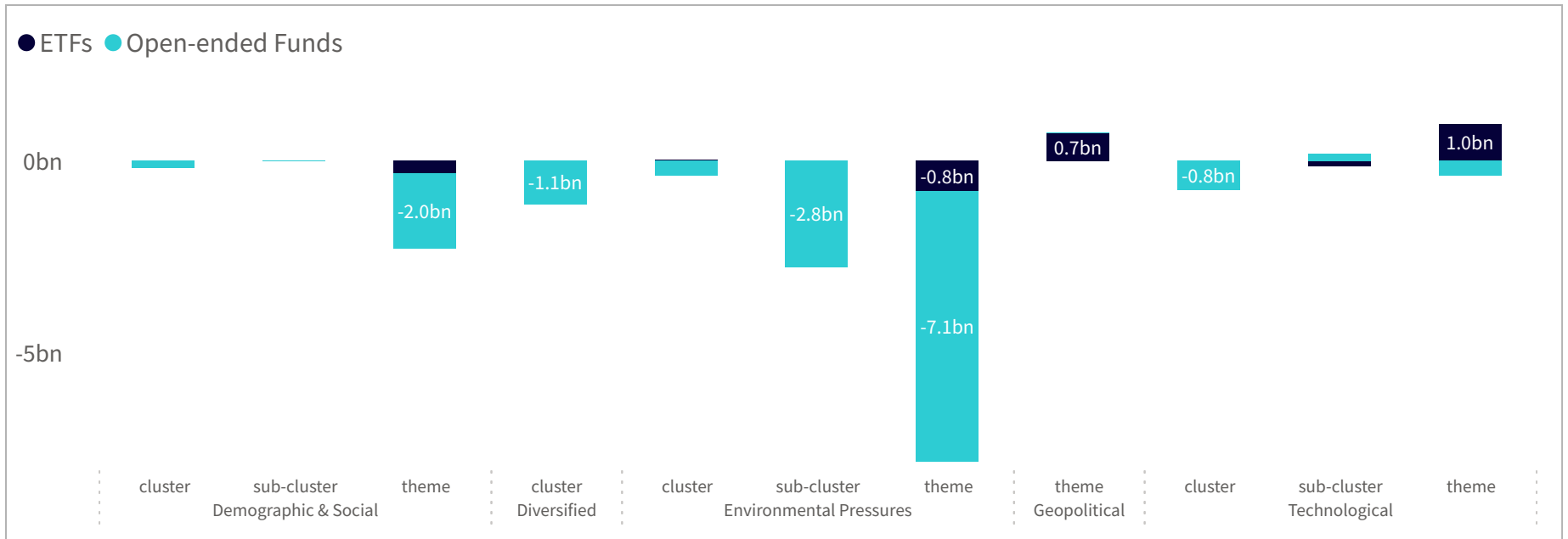
+ Year-to-date, European open-ended funds have seen significant outflows (-\$10.2 billion) from the “Environmental Pressures” cluster. YTD flows to other clusters are also negative except “Geopolitical Shifts” which is just above flat at \$13 million. ETFs have gathered most of the flows in “Geopolitical Shifts” and “Technological Shifts” clusters, with \$1.5 billion in total, but also have seen outflows from “Environmental Pressures” and “Demographic & Social Shifts” clusters, with -\$1.1 billion in total.

+ The "Environmental Pressures" cluster remains the biggest cluster in Europe with \$129 billion of assets, followed by "Technological Shifts" with \$109 billion as of the end of April 2024.

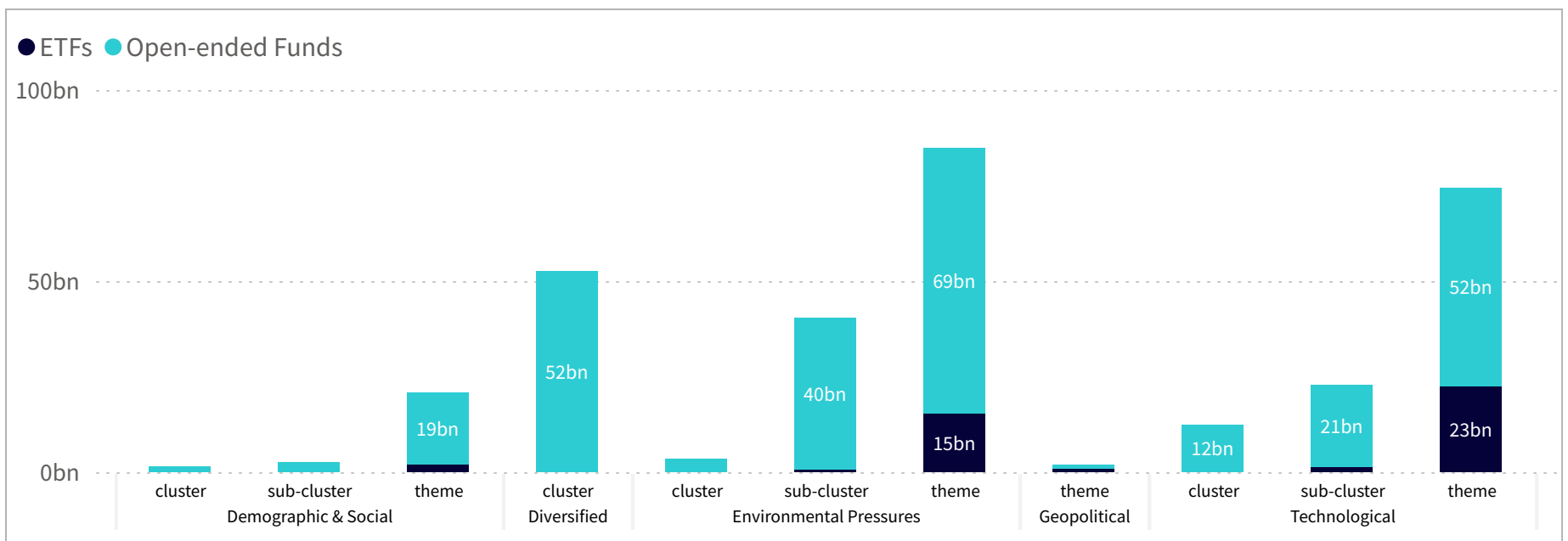
AuM in Thematics by region (Last 10Y)



YTD flows in Europe by wrapper in cluster, sub-cluster and focused themes



AuM in Europe by wrapper in cluster, sub-cluster and focused themes



Source: WisdomTree, Morningstar, Bloomberg. All data as of 30/04/2024 and based on WisdomTree's internal classification of thematic funds. Performance is based on monthly returns from Bloomberg and Morningstar More information on the WisdomTree Thematic classification can be found in the Appendix. **Historical performance is not an indication of future performance, and any investments may go down in value.**

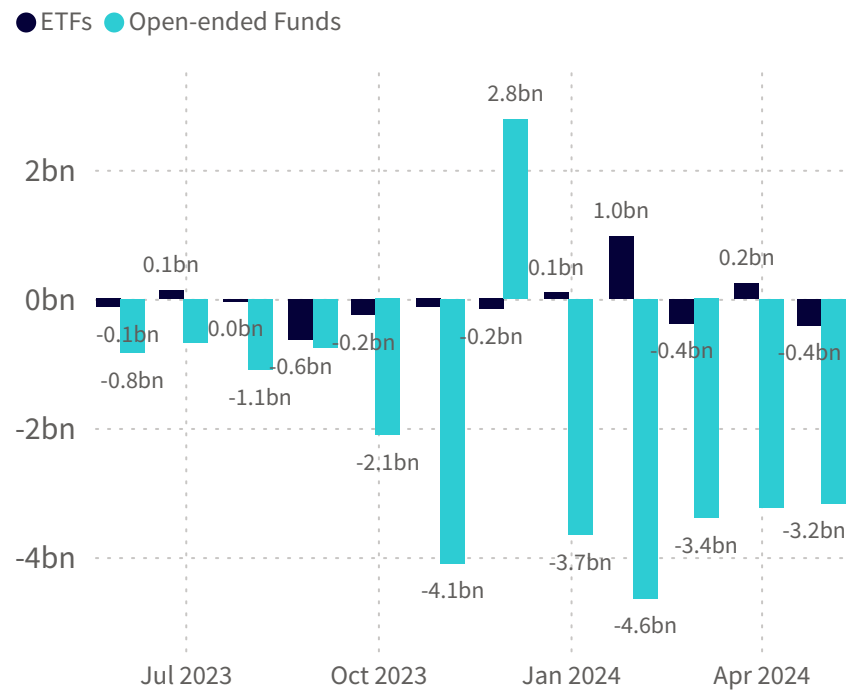
Thematic flows in Europe

+ Flows in April were negative both for ETFs (-\$411 million) and open-ended funds (-\$3.17 billion). Open-ended funds have seen outflows in 11 months out of the last 12 months on the monthly basis and all of the monthly outflows were more than \$3 billion since last December.

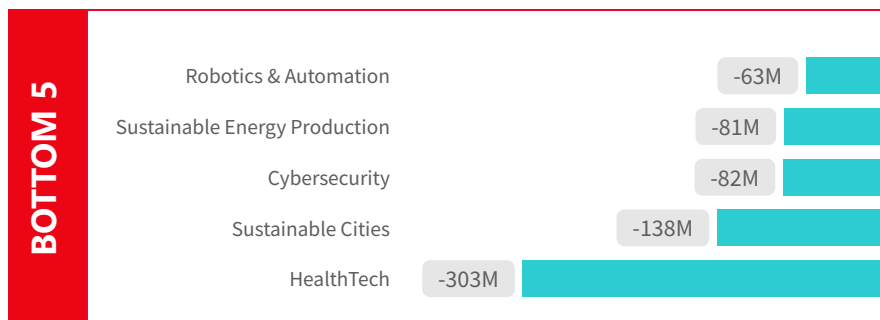
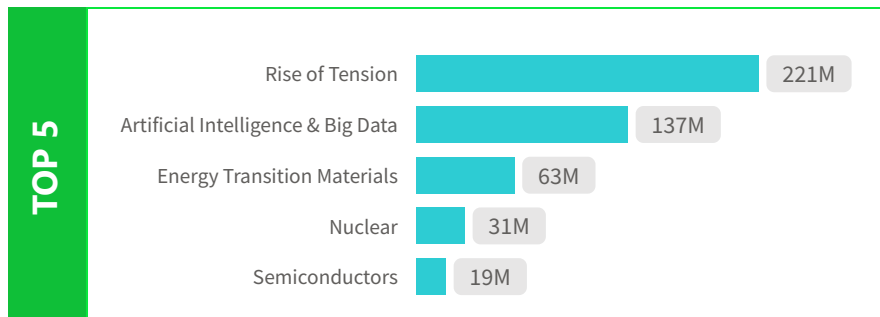
+ In April, "Rise of Tension" beat "AI & Big Data", gathered the most asset, with \$221 million in ETFs. It is also the second-best performer on the YTD basis. "AI & Big Data" ranked the second in ETFs but kept its first position in open-ended funds, showing that the theme is continuing to attract interest. YTD, the theme has seen \$1.8 billion inflows across ETFs and open-ended funds, occupying the first place. "Energy Transition Materials" entered the top 5 in both wrappers.

+ The worst performer across both open-ended funds and ETFs for the month was "Sustainable Energy Production" again, with another \$854 million in outflows. "Sustainable Resource Management" and "Rise of EM Consumer" followed with \$322 million and \$306 million of outflows respectively. "Healthcare" and "Robotics & Automation" closed the bottom five. Overall, "green themes" continued to suffer the majority of outflows in thematic.

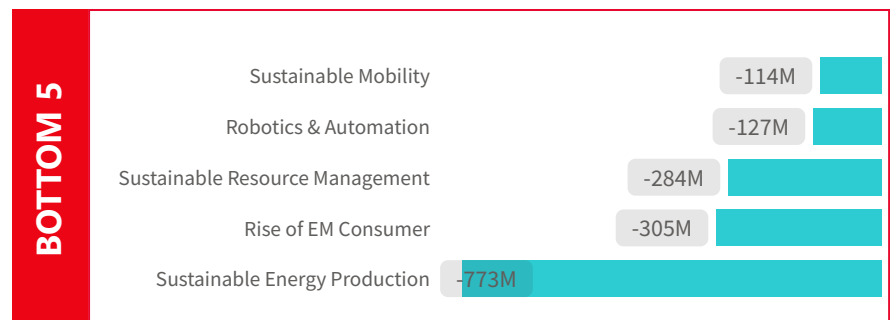
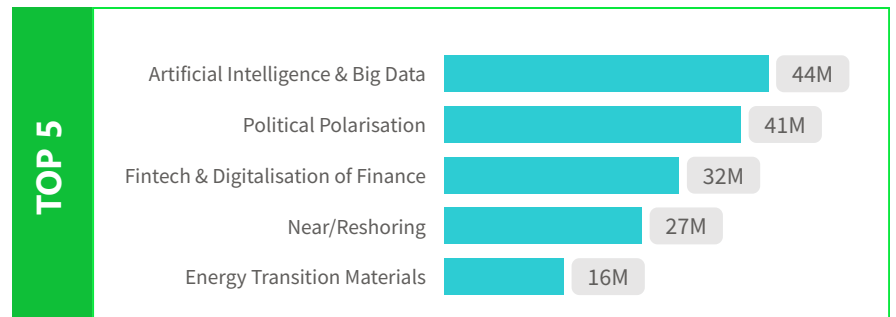
Month-on-month thematic flows



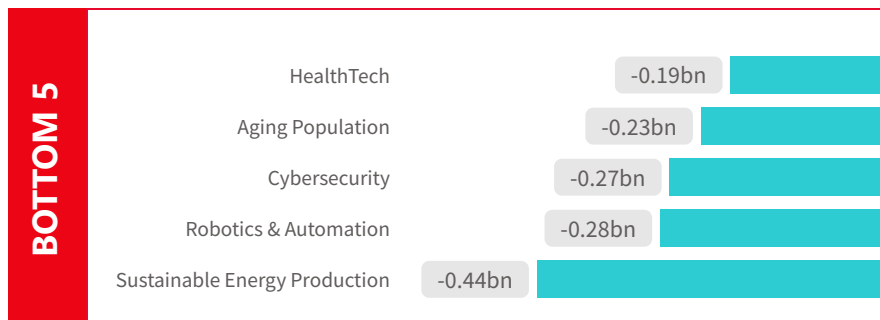
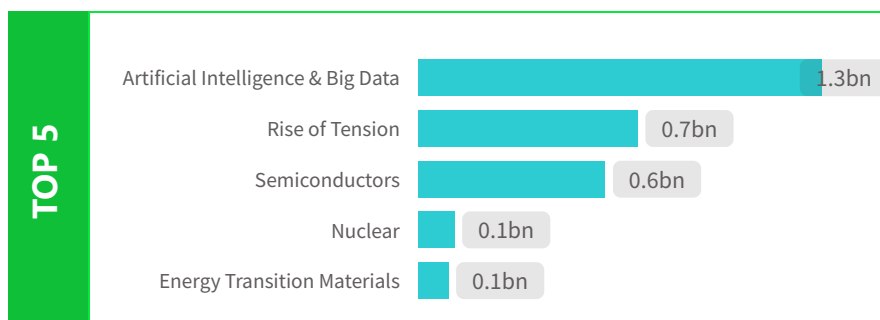
April Top/Bottom flows in Europe ETFs



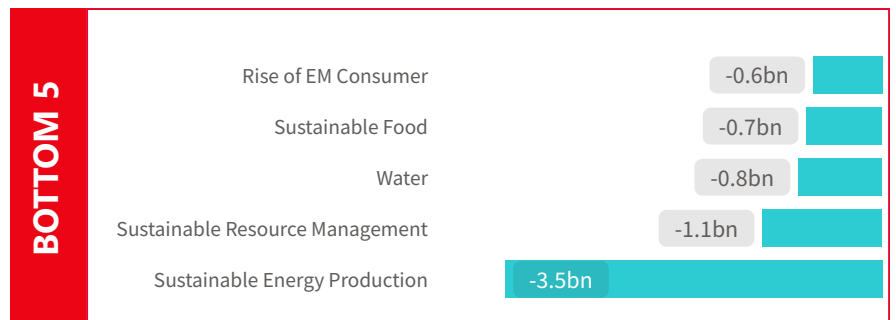
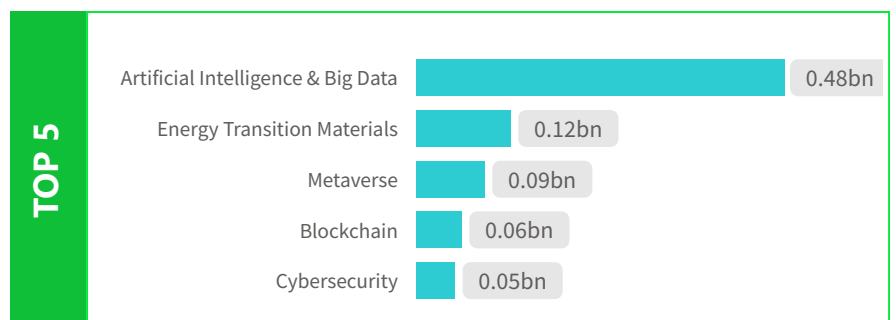
April Top/Bottom flows in Mutual Funds



YTD Top/Bottom flows in Europe ETFs



YTD Top/Bottom flows in Mutual Funds



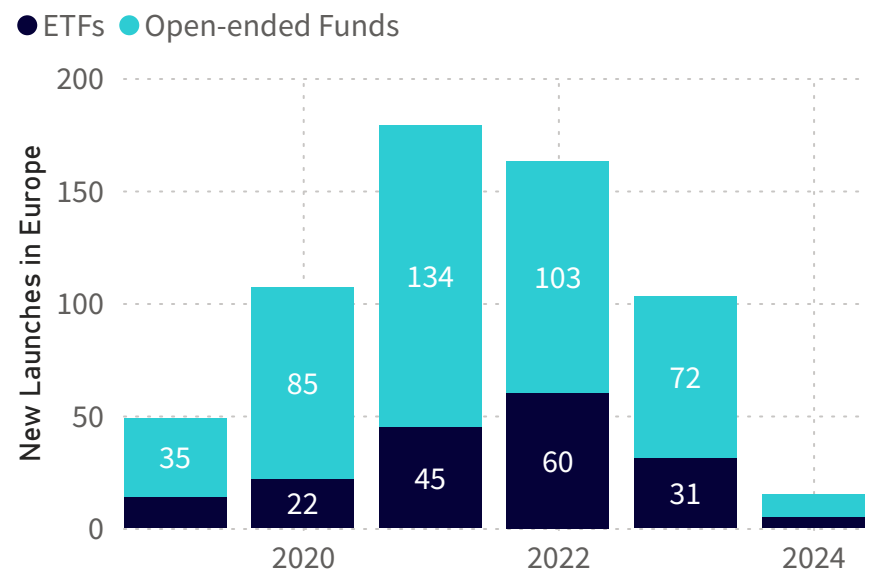
Source: WisdomTree, Morningstar, Bloomberg. All data as of 30/04/2024 and based on WisdomTree's internal classification of thematic funds. Performance is based on monthly returns from Bloomberg and Morningstar. More information on the WisdomTree Thematic classification can be found in the Appendix. **Historical performance is not an indication of future performance, and any investments may go down in value.**

Thematic performance and launches in Europe

+ In April, only five themes finished the month in green. “Energy Transition Materials” continued its strong performance since March and was the best performing theme in April with a gain of +6.1%. Both “Rise of China Tech” and “China’s Rise”, rebounding from their weak performance earlier this year, also entered the top 5 performing themes, with gains of 3.0% and 2.4% respectively. Year-to-date, “Rise of Tension” and “Semiconductors” are the top two performing themes despite losing -2.7% and -5.8% respectively in April. “Near/Reshoring”, also from “Geopolitical Shifts” as “Rise of Tension”, closed the top 3 on the YTD basis.

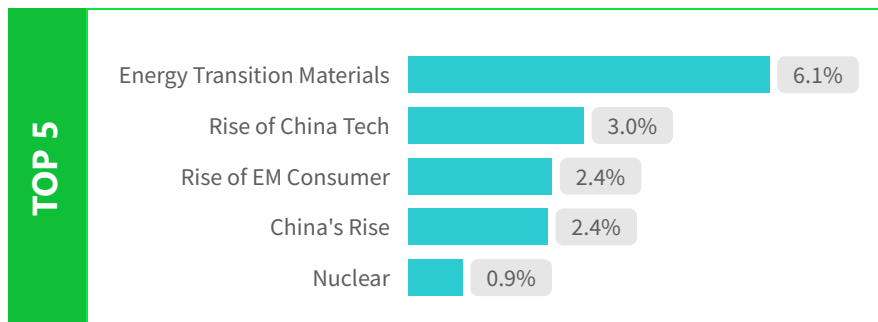
+ In April, “Blockchain” reversed its strong performance from March and was the worst performing theme. Its loss of -13.6% in the month also turned the YTD return to negative. “Space” continued its downward trend and lost -8.6% in April, which also dragged the theme to the bottom on the YTD basis. “Digital Infrastructure” lost -7.8% and was among the bottom 3 themes on the monthly basis. Year-to-date, 4 of the bottom 5 themes are the “green themes” and all of four green themes posted negative returns ranging from -4.1% to -3.2% in April.

Yearly thematic launches in Europe*

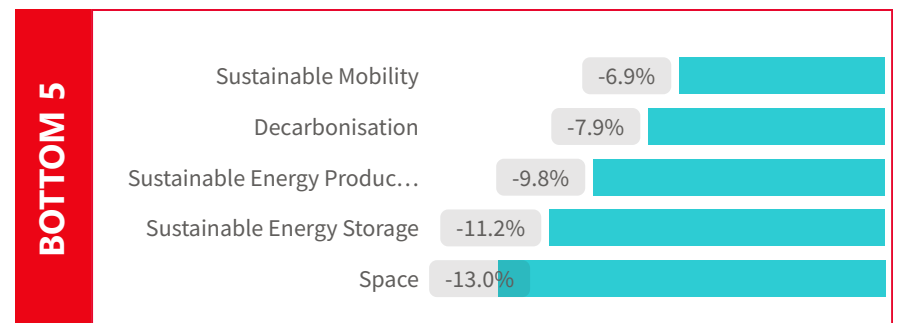
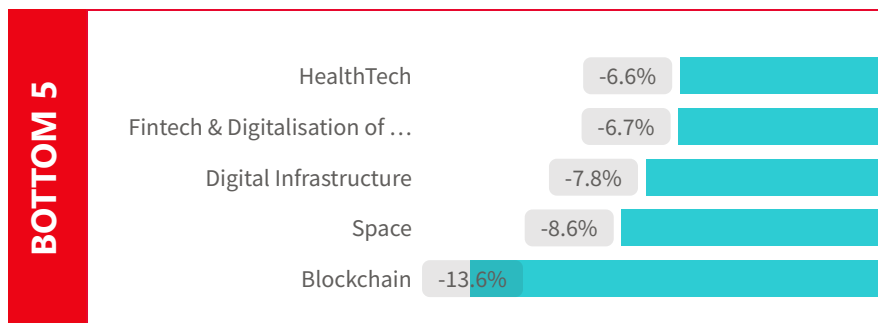
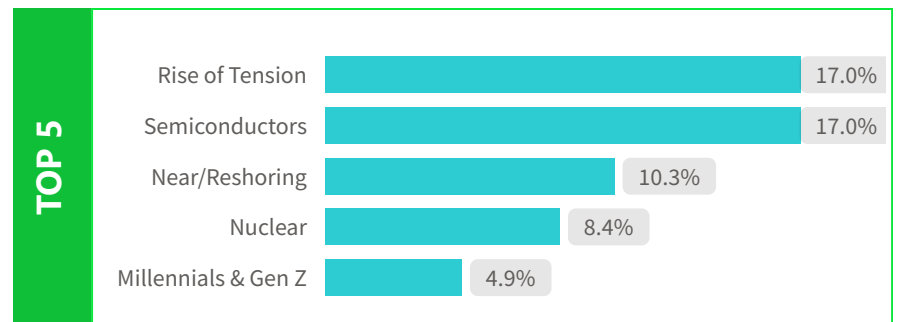


* New launches are updated quarterly

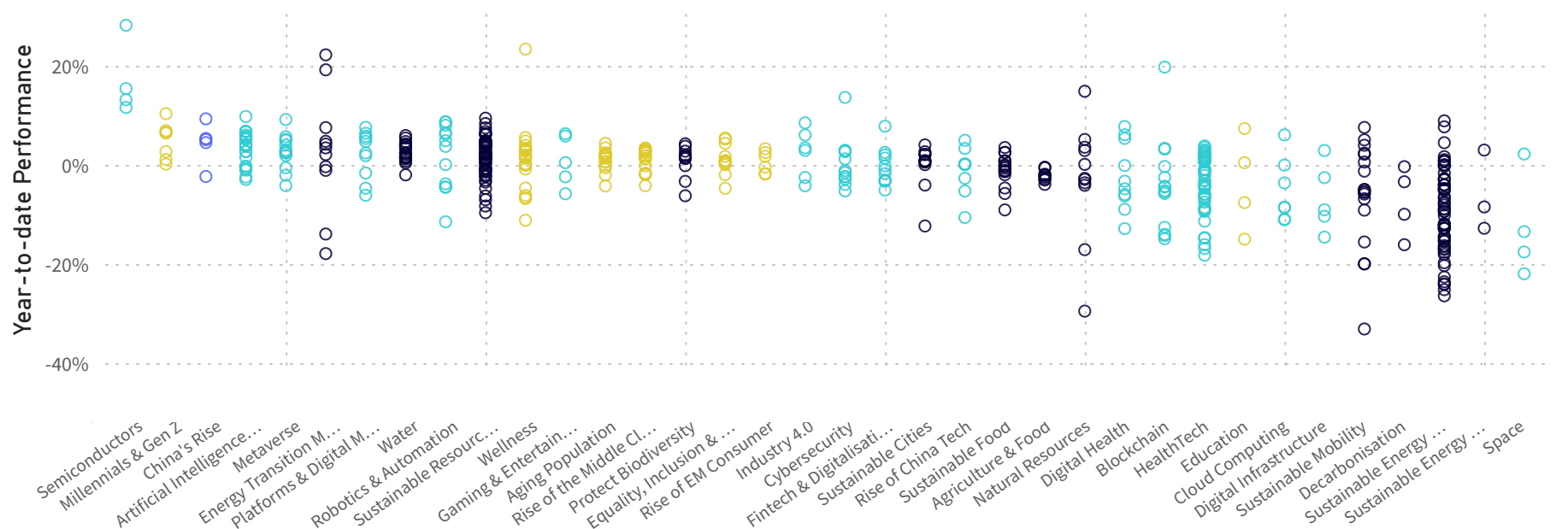
Top 5/Bottom 5 by performance in April



Top 5/Bottom 5 by YTD performance

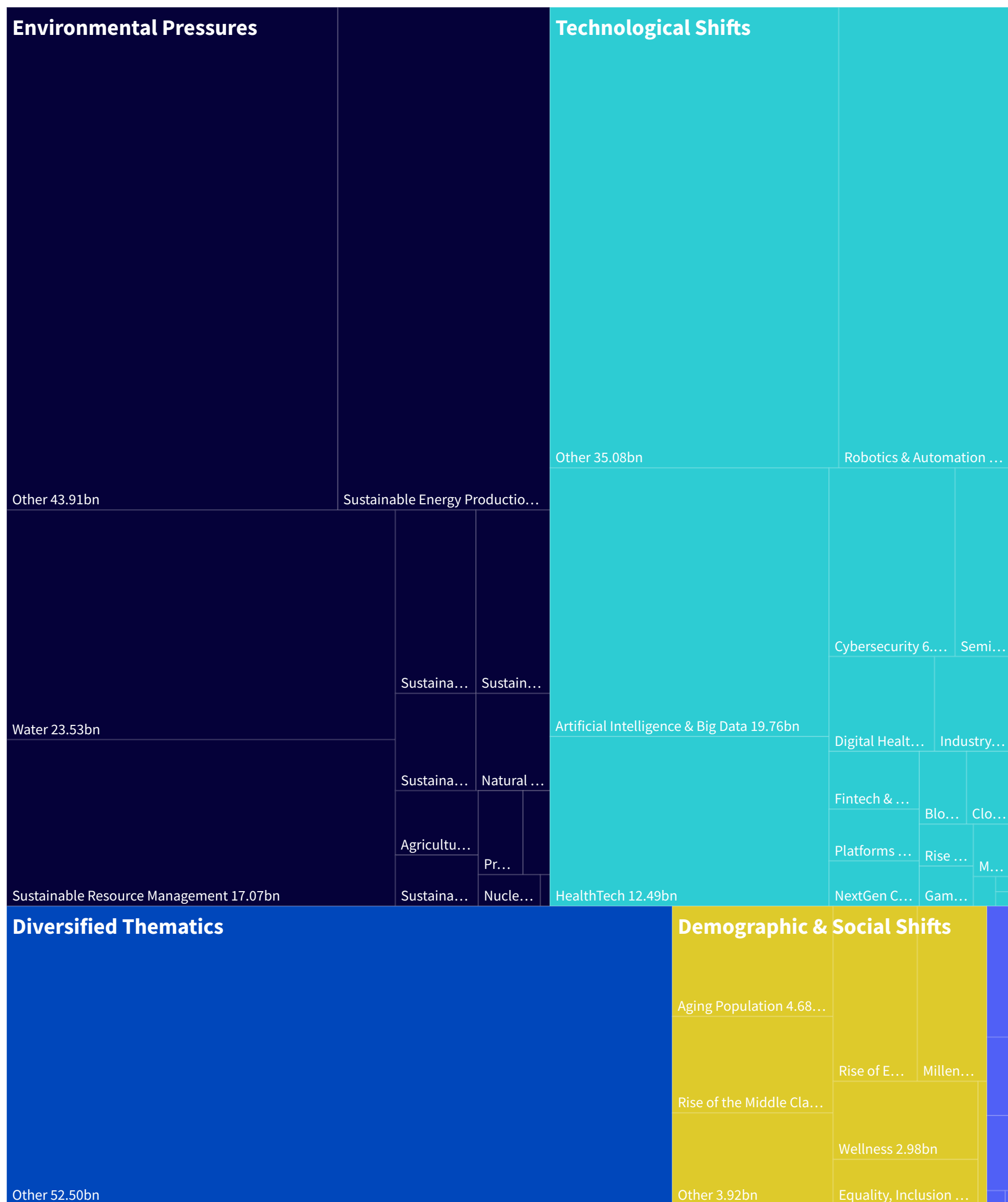


Dispersion of YTD performance of all ETFs and mutual funds by themes in Europe



Source: WisdomTree, Morningstar, Bloomberg. All data as of 30/04/2024 and based on WisdomTree's internal classification of thematic funds. Performance is based on monthly returns from Bloomberg and Morningstar. More information on the WisdomTree Thematic classification can be found in the Appendix. **Historical performance is not an indication of future performance, and any investments may go down in value.**

AUM per theme in ETFs and open-ended funds domiciled in Europe (\$billions)



Source: WisdomTree, Morningstar, Bloomberg. All data as of 30/04/2024 and based on WisdomTree's internal classification of thematic funds. Performance is based on monthly returns from Bloomberg and Morningstar More information on the WisdomTree Thematic classification can be found in the Appendix. **Historical performance is not an indication of future performance, and any investments may go down in value.**

Appendix - Multi themes & diversified thematic ETFs and Open-ended funds

Cluster	Sub-Cluster	AuM (\$)	Flows Last Month (\$)	Flows YTD (\$)
Technological Shifts		12,369.40M	-198.26M	-766.26M
Technological Shifts	Disruptive Technologies	15,177.74M	-73.21M	-314.79M
Technological Shifts	HyperConnectivity & Digitalisation	7,535.71M	-193.06M	347.48M
Environmental Pressures		3,506.92M	-111.73M	-347.26M
Environmental Pressures	Climate Change & Sustainability	40,398.04M	-287.82M	-2,767.90M
Environmental Pressures	Limited Resources	9.74M	0.01M	-0.40M
Diversified Thematics		52,496.63M	-96.44M	-1,123.52M
Demographic & Social Shifts		1,387.37M	-50.07M	-190.52M
Demographic & Social Shifts	Demographic Shifts	2,520.91M	1.82M	-15.74M
Demographic & Social Shifts	Social Shifts	10.82M	-0.27M	-3.60M

Appendix - Theme focused ETFs and Open-ended funds

Theme Name	AuM (\$)	Flows Last Month (\$)	Flows YTD (\$)	Performance Last Month	Performance YTD
Aging Population	4,680.87M	-110.00M	-703.56M	-4.2%	1.1%
Agriculture & Food	1,406.74M	-52.59M	-340.02M	-2.7%	-2.1%
Artificial Intelligence & Big Data	19,760.39M	181.19M	1,783.59M	-4.8%	3.4%
Blockchain	908.96M	6.54M	38.22M	-13.6%	-2.6%
China's Rise	517.51M	1.17M	-44.47M	2.4%	4.5%
Cloud Computing	870.40M	-7.82M	-36.70M	-5.9%	-4.8%
Cybersecurity	6,267.16M	-117.33M	-217.81M	-5.0%	0.3%
Decarbonisation	79.46M	-1.59M	-7.30M	-4.1%	-7.9%
Digital Health	2,638.53M	-60.09M	-216.25M	-6.0%	-2.4%
Digital Infrastructure	65.26M	-1.45M	-4.74M	-7.8%	-6.8%
Education	288.24M	-12.59M	-38.25M	-6.0%	-4.0%
Energy Transition Materials	597.99M	79.86M	218.80M	6.1%	4.5%
Equality, Inclusion & Diversity	1,752.39M	-29.74M	-102.73M	-2.9%	0.9%
Fintech & Digitalisation of Finance	1,376.82M	31.88M	-113.59M	-6.7%	0.1%
Gaming & Entertainment	571.88M	-9.85M	-65.98M	-3.8%	1.1%
Global Logistics	25.65M	-0.13M	-0.11M	-6.0%	-4.1%
HealthTech	12,487.31M	-288.79M	-596.74M	-6.6%	-2.8%
Industry 4.0	1,933.74M	-11.69M	-30.32M	-3.9%	0.4%
Internet of Things	174.06M	10.95M	32.18M	-3.5%	-0.6%
Metaverse	531.94M	12.90M	147.68M	-5.1%	2.9%
Millennials & Gen Z	3,210.20M	-80.06M	-270.98M	-3.7%	4.9%
Natural Resources	1,897.34M	-39.54M	-187.33M	-0.8%	-1.2%
Near/Reshoring	496.16M	27.06M	17.50M	-2.7%	10.3%
NextGen Communications	1,076.83M	-24.88M	-118.21M	-4.7%	2.6%
Nuclear	516.02M	31.41M	117.23M	0.9%	8.4%
Platforms & Digital Markets	1,230.63M	-118.73M	-254.44M	-3.1%	2.8%
Political Polarisation	71.21M	40.62M	39.77M	-1.8%	-3.7%
Protect Biodiversity	990.09M	-12.62M	-41.81M	-3.6%	1.0%
Rise of China Tech	597.55M	-2.35M	17.52M	3.0%	-1.1%
Rise of EM Consumer	3,890.91M	-305.47M	-639.05M	2.4%	0.6%
Rise of Tension	865.19M	221.34M	712.15M	-2.7%	17.0%
Rise of the Middle Class	4,094.20M	-52.57M	-460.54M	-4.8%	0.9%
Robotics & Automation	21,035.77M	-189.47M	-402.95M	-5.1%	2.0%
Semiconductors	2,823.88M	19.14M	606.85M	-5.8%	17.0%
Space	61.75M	2.80M	12.28M	-8.6%	-13.0%
Sustainable Cities	2,065.63M	-143.16M	-181.24M	-3.6%	-0.2%
Sustainable Energy Production	28,130.59M	-854.22M	-3,894.82M	-3.2%	-9.8%
Sustainable Energy Storage	1,119.10M	1.78M	-171.79M	-3.5%	-11.2%
Sustainable Food	3,896.68M	-108.04M	-712.31M	-3.4%	-1.4%
Sustainable Mobility	3,580.46M	-142.03M	-706.97M	-4.1%	-6.9%
Sustainable Resource Management	17,073.49M	-321.78M	-1,190.27M	-3.0%	1.5%
Water	23,534.35M	-85.97M	-745.05M	-2.8%	2.6%
Wellness	2,983.37M	-51.06M	-74.34M	-3.6%	1.3%

Source: WisdomTree, Morningstar, Bloomberg. All data as of 30/04/2024 and based on WisdomTree's internal classification of thematic funds. Performance is based on monthly returns from Bloomberg and Morningstar. More information on the WisdomTree Thematic classification can be found in the Appendix. **Historical performance is not an indication of future performance, and any investments may go down in value.**

Appendix - Definitions

The WisdomTree Thematic classification is built around 4 main thematic clusters

Technological Shifts

This cluster focuses on the different themes that originate from the introduction of new technologies and innovation. It incorporates disruptive and emerging technologies as well as their impact on societies and economies, such as the increasing digitalisation and connectivity of the world.

Demographic and Social Shifts

This cluster focuses on the themes that originate from changes in population and societies alike. For example, it incorporates changes in the world's pyramid of age, the impact of the growing, younger, wealthier populations in emerging markets, as well as changes to societal values and lifestyles.

Environmental Pressures

Focusing on the environment and, more importantly, on the impact of human activities on the planet, this cluster incorporates changes driven by sustainability issues, the increasing scarcity of resources and the need to address global warming and climate change.

Geopolitical Shifts

This cluster focuses on the themes driven by the globalisation and the changes in the global geopolitical order with the rise of new geopolitical powers like China. It also taps into the increasing polarisation of modern societies as a counterforce to globalisation.

All thematic ETFs and open-ended funds in the WisdomTree Thematic classification are classified into

- **Diversified thematics**, if they try to harness a large number of megatrends in one go. Those funds tend to have a very diluted focus, which could mean that it might be harder to find sources of potential differentiation against a broad market benchmark.
- **A specific cluster**, if they try to harness multiple themes across sub-clusters but within one particular cluster. For example, a fund investing in Artificial Intelligence, Robotics, Cloud, and Cybersecurity would be classified as a 'Technological Shifts' fund.
- **A particular sub cluster**, if a strategy aims to invest in most of the themes within that sub-cluster. For example, a fund investing in Cloud Computing, Platforms, Cybersecurity, and Fintech would be classified as a 'Hyperconnectivity & Digitalisation' fund.
- **A theme**, if the investment strategy is focused on a specific, clear theme.

YTD stands for Year to Date

MTD stands for Month to Date

For all of our calculations, we use the WisdomTree Thematic Classification that we have previously introduced here and can be found in the next page.

Performance of a theme. For any given theme, we consider each month all the ETFs and open-ended funds classified in that specific theme that have published a monthly return for that month in Morningstar. We then calculate the average of all those monthly returns to compute the average monthly return for that theme. So, the monthly return for January 2020 for the theme may include 19 funds, while the February 2020 return may comprise 21 funds (if two funds classified in that theme have been launched in the meantime). By collating monthly returns for the theme, we get the theme's average historical performance. Therefore, the theme's average historical performance incorporates every ETF, and open-ended fund focused on this theme. The theme's average historical performance is not biased towards surviving funds or successful funds. Every fund alive in a given month is included irrespective of its future survival or success. Investments that try to focus on multiple themes and, therefore, classified either at Cluster or Sub-Cluster Level are not included.

The WisdomTree Thematic Classification

DIVERSIFIED THEMATICS							
TECHNOLOGICAL SHIFTS		DEMOGRAPHIC AND SOCIAL SHIFTS		GEOPOLITICAL SHIFTS		ENVIRONMENTAL PRESSURES	
DISRUPTIVE TECHNOLOGIES	HYPERS CONNECTIVITY & DIGITALISATION	DEMOGRAPHIC SHIFTS	SOCIAL SHIFTS	GLOBALISATION	MULTI-POLARITY	CLIMATE CHANGE & SUSTAINABILITY	LIMITED RESOURCES
Artificial Intelligence & Big Data	Cloud Computing	Aging Population	Education	Global Logistics	China's Rise	Decarbonisation	Agriculture & Food
Blockchain	Rise of China Tech	Millennials & Gen Z	Equality, Inclusion & Diversity		Political Polarisation	Protect Biodiversity	Natural Resources
HealthTech	Cybersecurity		Rise of the Middle Class		Rise of Tension	Sustainable Mobility	Water
Industry 4.0	Digital Health		Rise of EM Consumer		Near/Reshoring	Sustainable Energy Production	Nuclear
Next Gen Communications	Digital Infrastructure		Wellness			Sustainable Energy Storage	
Robotics & Automation	Fintech & Digitalisation of Finance					Sustainable Food	
Semiconductors	Gaming & Entertainment					Sustainable Cities	
Smart Materials & Nano Tech	Internet of Things					Sustainable Resource Management	
Space	Metaverse					Extreme Events	
	Platforms & Digital Markets					Energy Transition Materials	
	Social Media & Media						

Source: WisdomTree, as of 31/12/2023

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