

# WisdomTree European thematic monthly update

April 2025

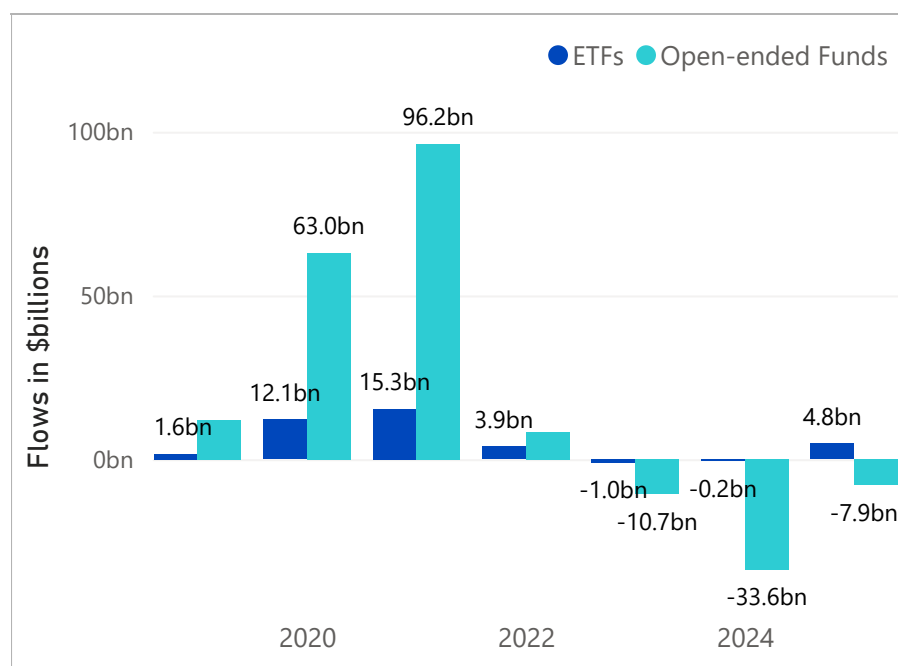
## Thematic universe overview

+ AUM in thematic ETFs and open-ended funds rose to \$304.8 billion, driven mainly by improved market performance in April. ETF assets increased from \$48.8 billion to \$51.1 billion, pushing ETFs' share of thematic funds to a record high of 16.8%.

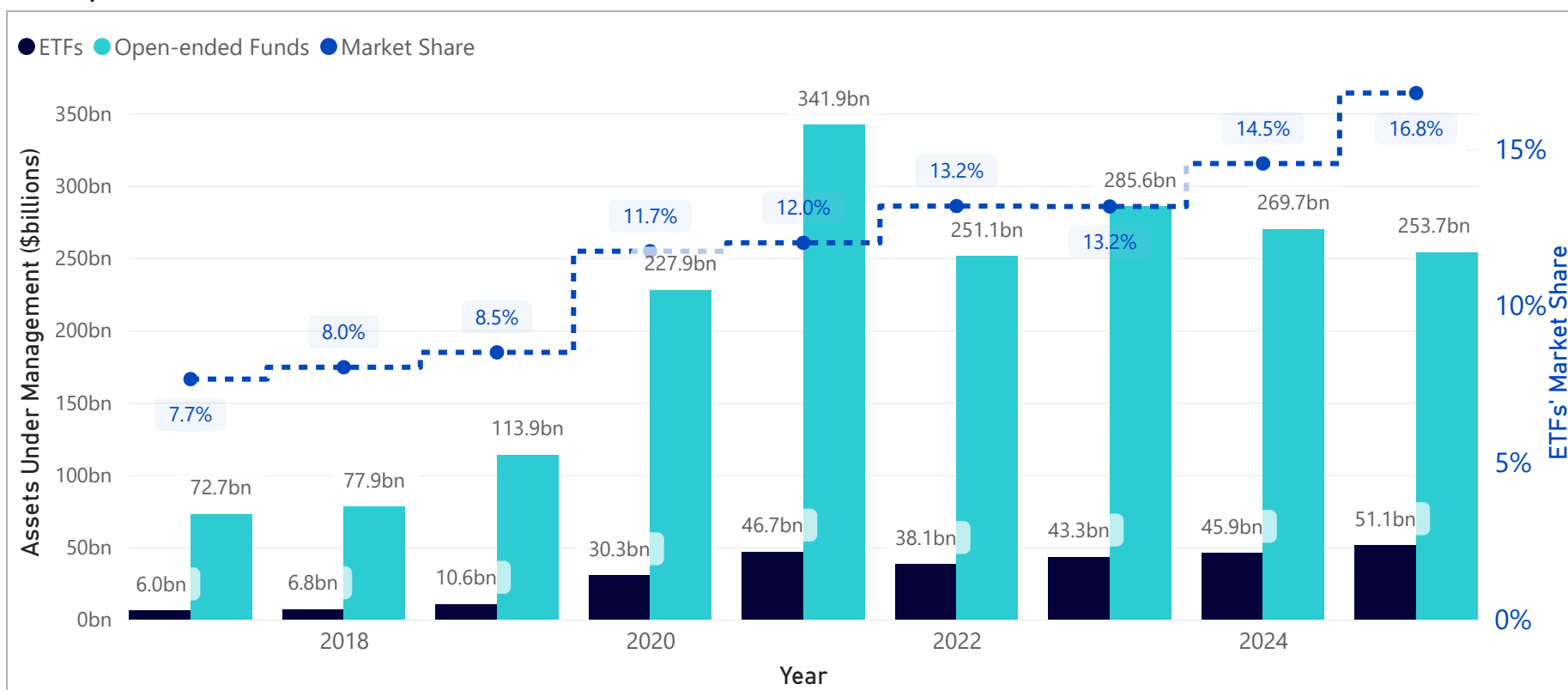
+ Total flows for thematic funds remained negative at -\$1.1 billion in April, showing a divergence between ETFs and open-ended funds. ETFs recorded inflows of \$391 million, while open-ended funds experienced outflows of \$1.5 billion. The "Rise of Tension" theme, predominantly comprising defence-themed funds, continued to attract strong inflows of around \$950 million, bringing its YTD inflows to \$4.7 billion. This reflects positive market sentiment towards Europe's strategic shift to increased defence spending. Conversely, "Sustainable Energy Production" again had the largest outflows, reaching a total of \$2.1 billion YTD.

+ Year-to-date, thematic ETFs consistently recorded positive monthly inflows, accumulating \$4.8 billion and recovering from weak flows at the end of 2024 despite April's volatility. In contrast, thematic open-ended funds reported negative flows each month over the past 12 months, totalling \$26.9 billion.

## Recent yearly flows in Europe



## Europe-domiciled thematic AUM evolution and ETFs' market share



Source: WisdomTree, Morningstar, Bloomberg. All data as of 30/04/2025 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.**

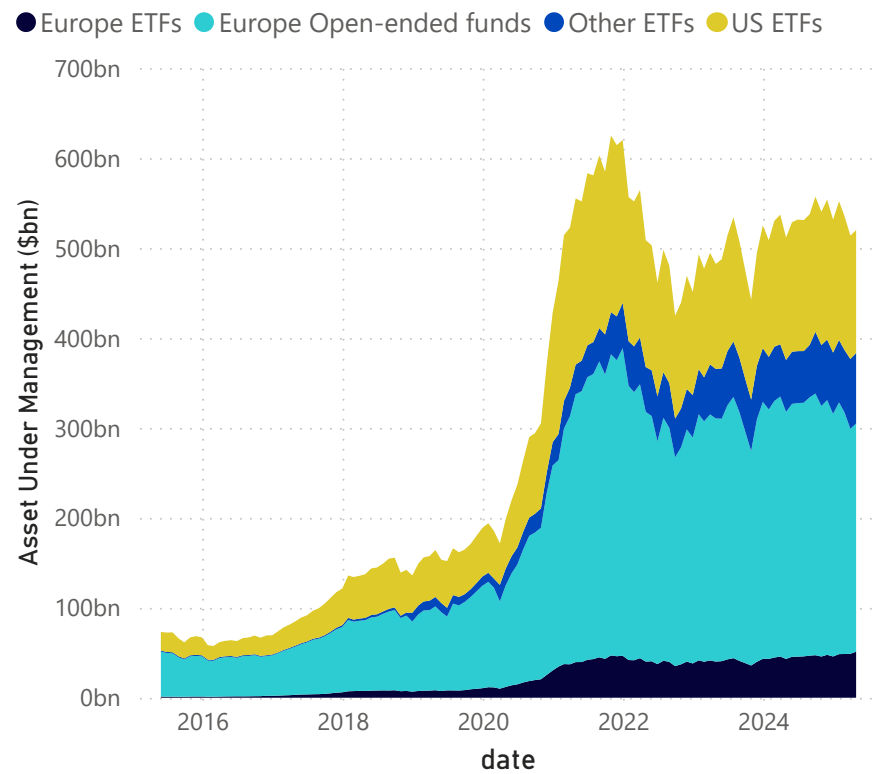
## Thematic universe overview (continued)

+ Most themes rebounded from an early-April downturn caused by tariff concerns. Despite volatility after "Liberation Day," 31 themes outperformed the MSCI ACWI. "Nuclear" was the top-performing theme with an 8.6% return in April, though its YTD return remains negative. "Rise of China Tech" performed the worst, falling 4.4% due to trade tensions, though its YTD return remains positive at 5.2%.

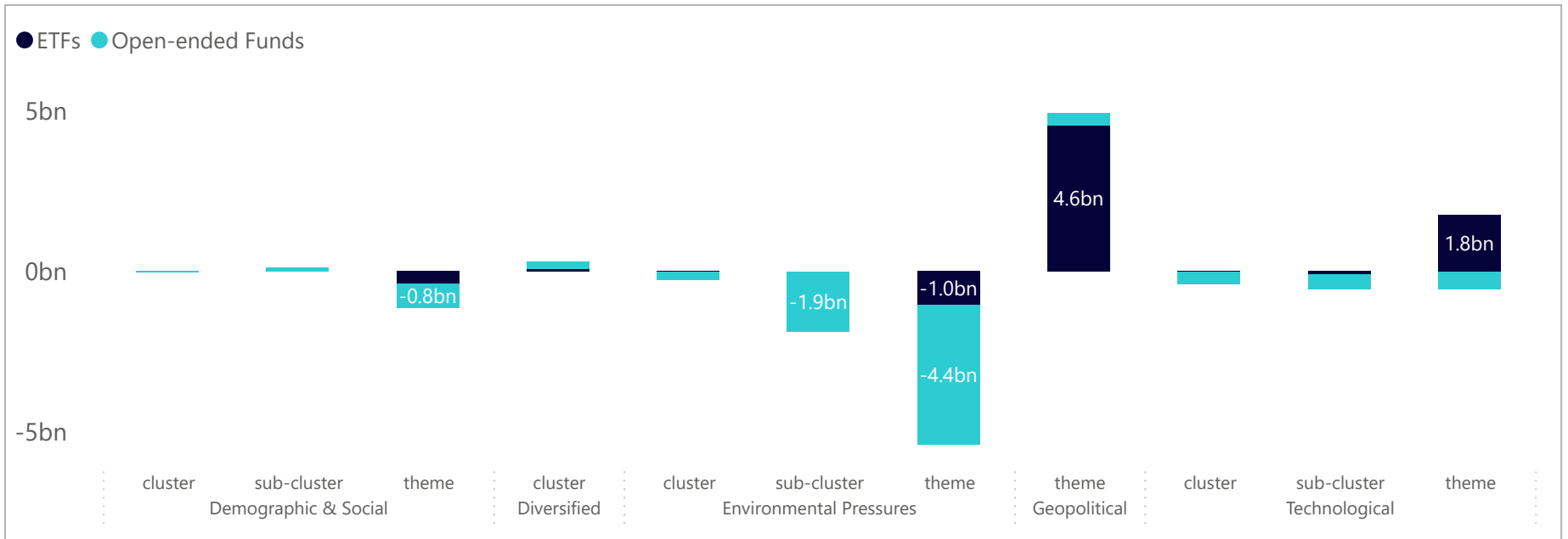
+ At the cluster level, "Environmental Pressures" again saw the largest outflows (\$1.3 billion) due to sustained withdrawals from green-themed investments, bringing its 12-month total outflows to \$21.4 billion. "Technological Shifts" also had significant outflows (\$1.1 billion) as uncertainties over US economic growth raised concerns about tech valuations. Conversely, "Geopolitical Shifts" continued to attract significant inflows (\$928 million), driven mainly by the "Rise of Tension" theme, and led the cluster's YTD inflows at \$4.9 billion.

+ Globally, the combined AUM in global thematic ETFs and European thematic open-ended funds rose to \$520 billion in April, up from \$504 billion in March. "Technological Shifts" remained the largest cluster, with an AUM of \$262 billion.

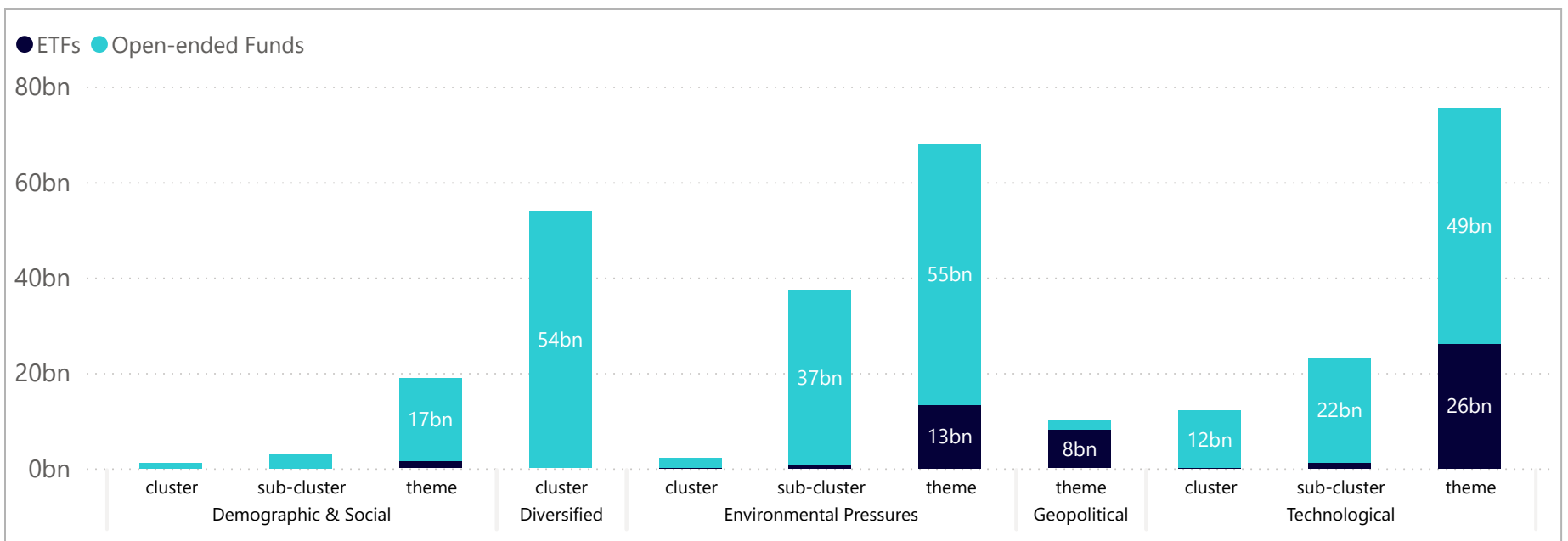
## AuM in Thematics by region (Last 10Y)



## 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 30/04/2025 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

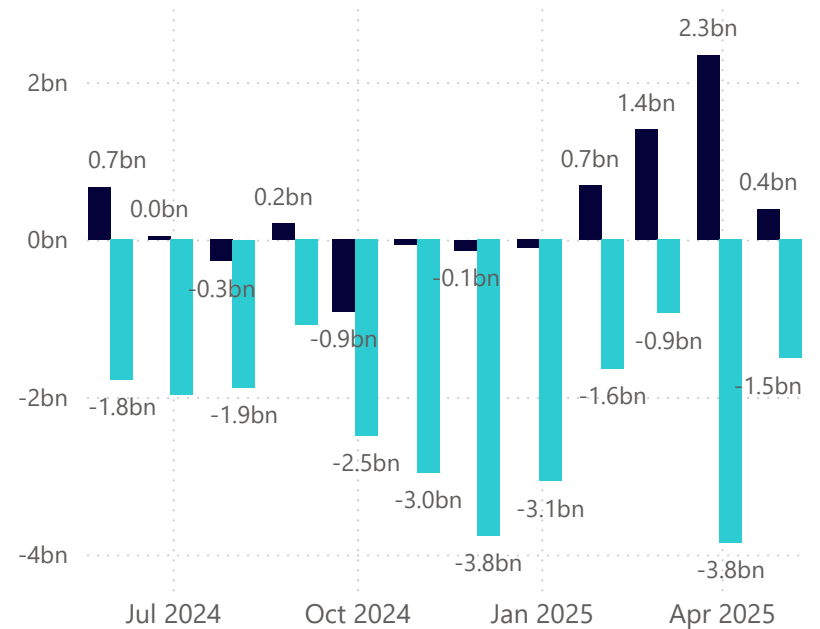
+ European thematic ETFs and open-ended funds recorded combined net outflows of \$1.1 billion in April, although ETFs continued to see inflows.

+ European defence remained a focal point, boosted by expectations of increased defence spending. Germany even activated the EU's emergency clause for defence expenditure. The "Rise of Tension" theme, covering both ETFs and open-ended funds, attracted \$950 million in April, raising its YTD inflows to \$4.7 billion. Other themes had considerably lower inflows, with "Semiconductors" and "Blockchain" attracting \$86 million and \$19 million, respectively.

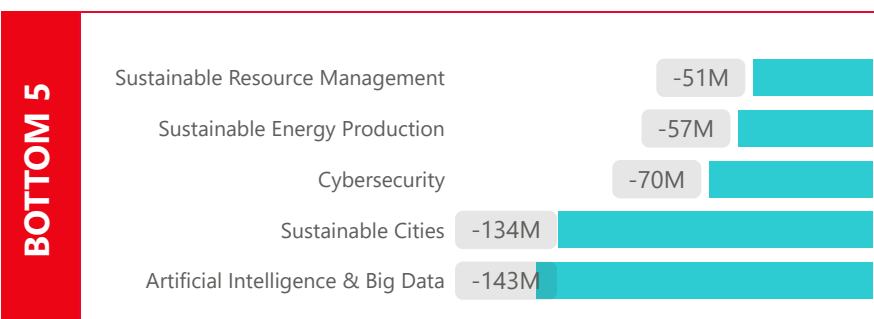
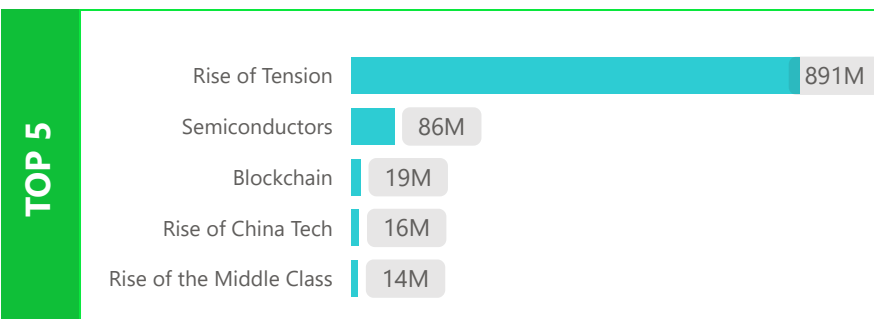
+ In contrast, green themes led outflows, with three of the five themes recording the largest outflows belonging to the "Environmental Pressures" cluster. "Sustainable Energy Production" saw the largest outflows (\$424 million), followed by "Water" and "Sustainable Resource Management." Tech-focused themes such as "Robotics & Automation" and "HealthTech" also faced withdrawals. Although "AI & Big Data" ETFs saw significant outflows, positive inflows into open-ended funds resulted in net positive flows of \$66 million.

## Month-on-month thematic flows

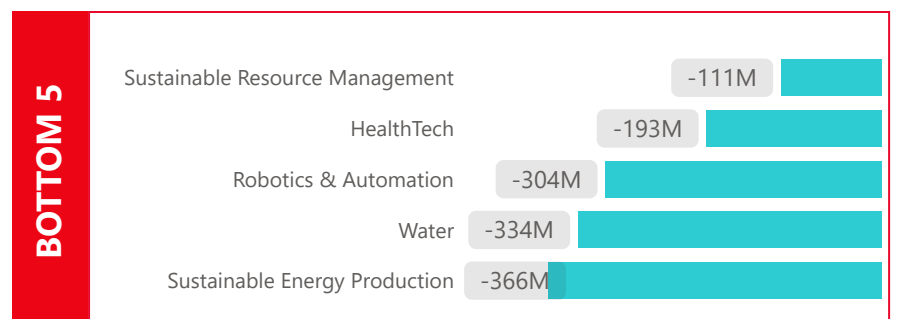
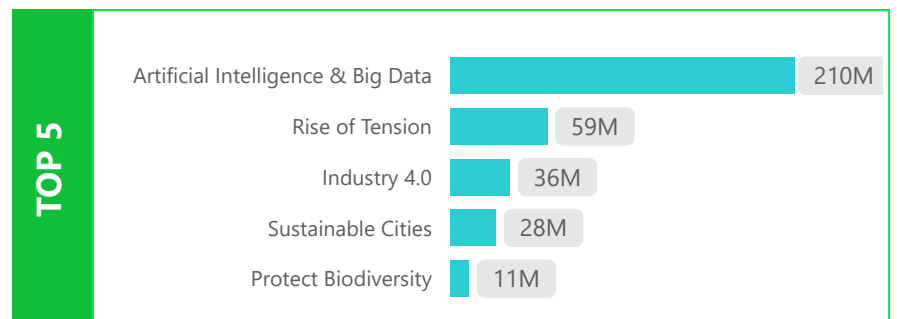
● ETFs ● Open-ended Funds



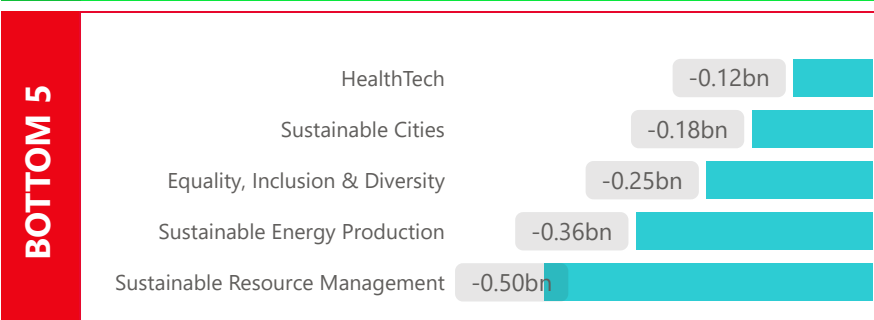
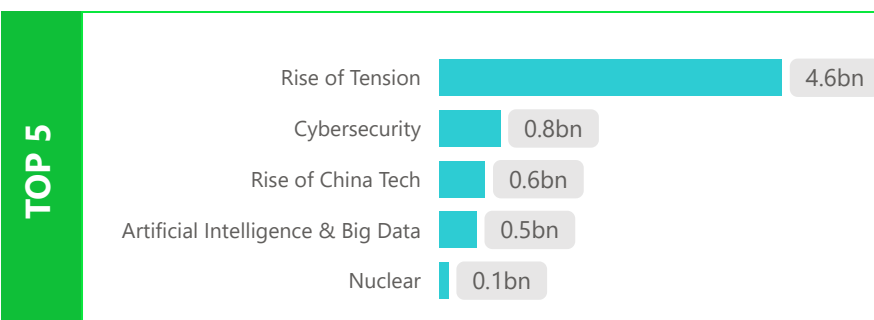
## April Top/Bottom flows in Europe ETFs



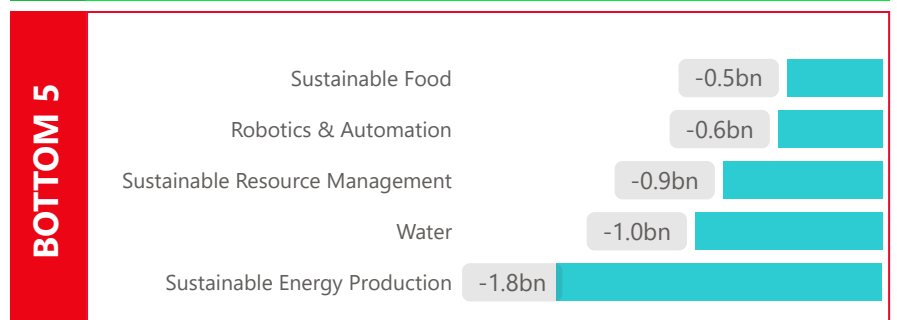
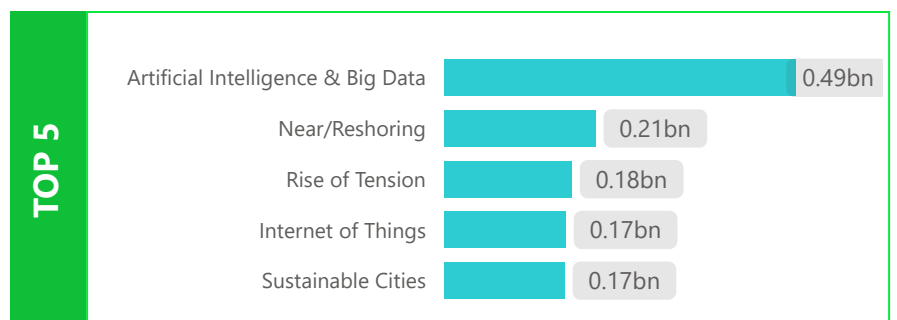
## April Top/Bottom flows in Mutual Funds



## YTD Top/Bottom flows in Europe ETFs



## YTD Top/Bottom flows in Mutual Funds



Source: WisdomTree, Morningstar, Bloomberg. All data as of 30/04/2025 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

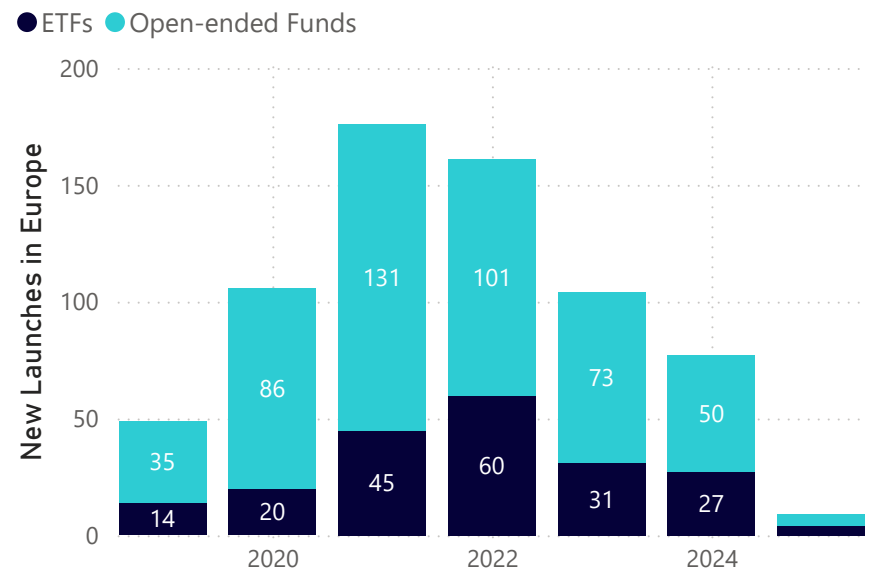
+ Despite initial market volatility from trade tensions, April was relatively positive for European thematic ETFs and open-ended funds. In total, 31 themes outperformed the MSCI ACWI, and 34 themes posted positive returns.

+ "Nuclear" emerged as the month's top-performing theme, partly benefiting from sector rotation amid market uncertainty. "Gaming & Entertainment" and "Blockchain" also delivered strong returns of over 8%. "Rise of Tension" demonstrated resilience in volatile conditions, rising 7.7% in April and achieving the highest YTD return of 25.1%.

+ Conversely, "Rise of China Tech" was the worst performer, declining by 4.4% due to heightened US-China trade tensions, though its YTD performance remained positive at 5.2%. "Natural Resources" and "China's Rise" were also among the weakest performers in April. Year-to-date, "Semiconductors" was the worst-performing theme (-12.3%), despite marginal gains in April. Although "Blockchain" performed well in April, it remained the second-worst performer YTD.

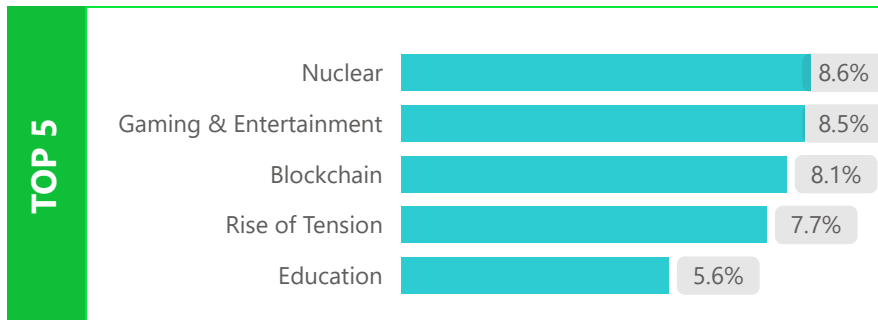
+ The launch of thematic funds in Europe remained subdued, with only 10 funds launched YTD, marking the lowest activity level in recent years.

# Yearly thematic launches in Europe\*

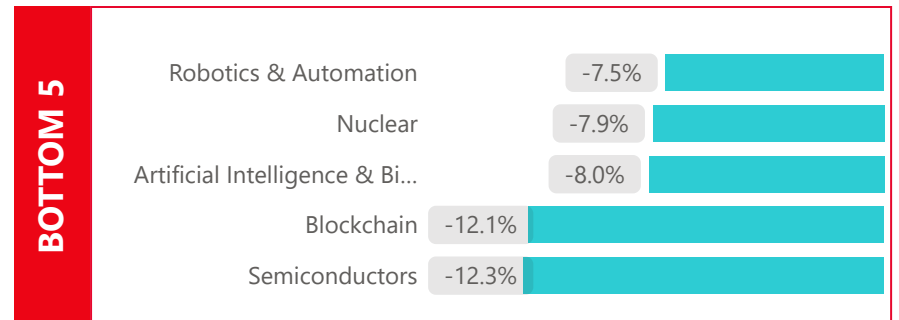
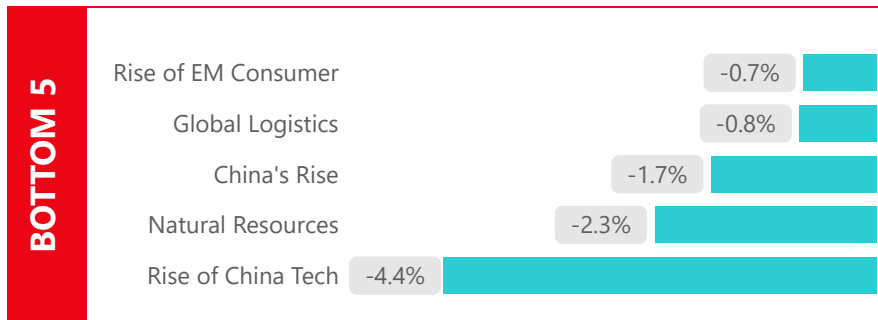
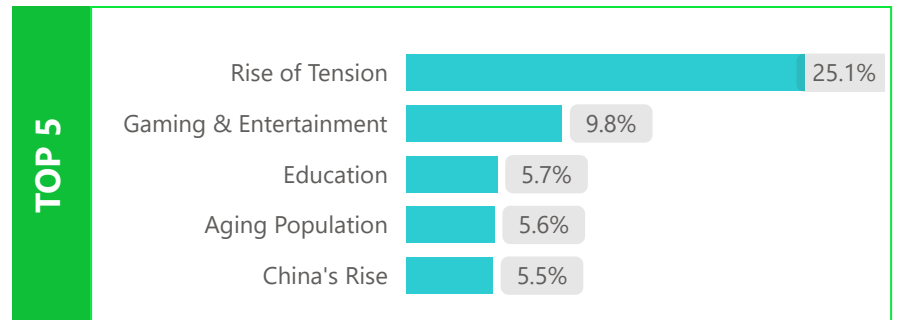


\* New launches are updated quarterly

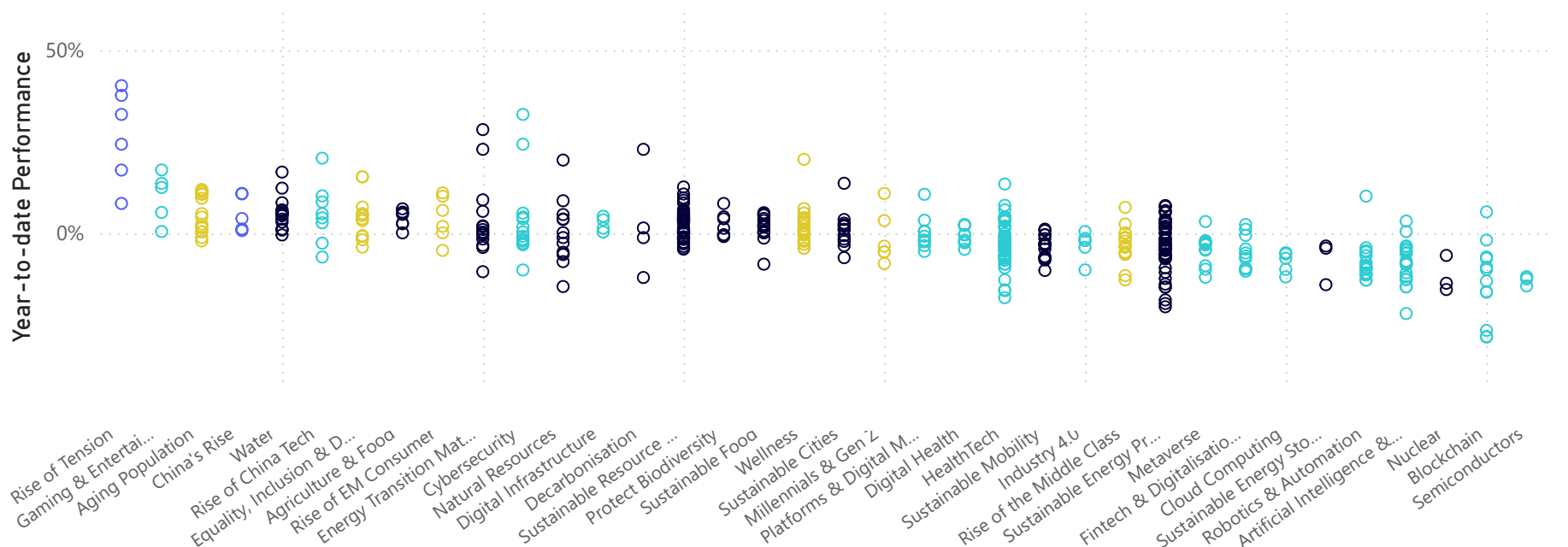
## Top 5/Bottom 5 by performance in April



## Top 5/Bottom 5 by YTD performance

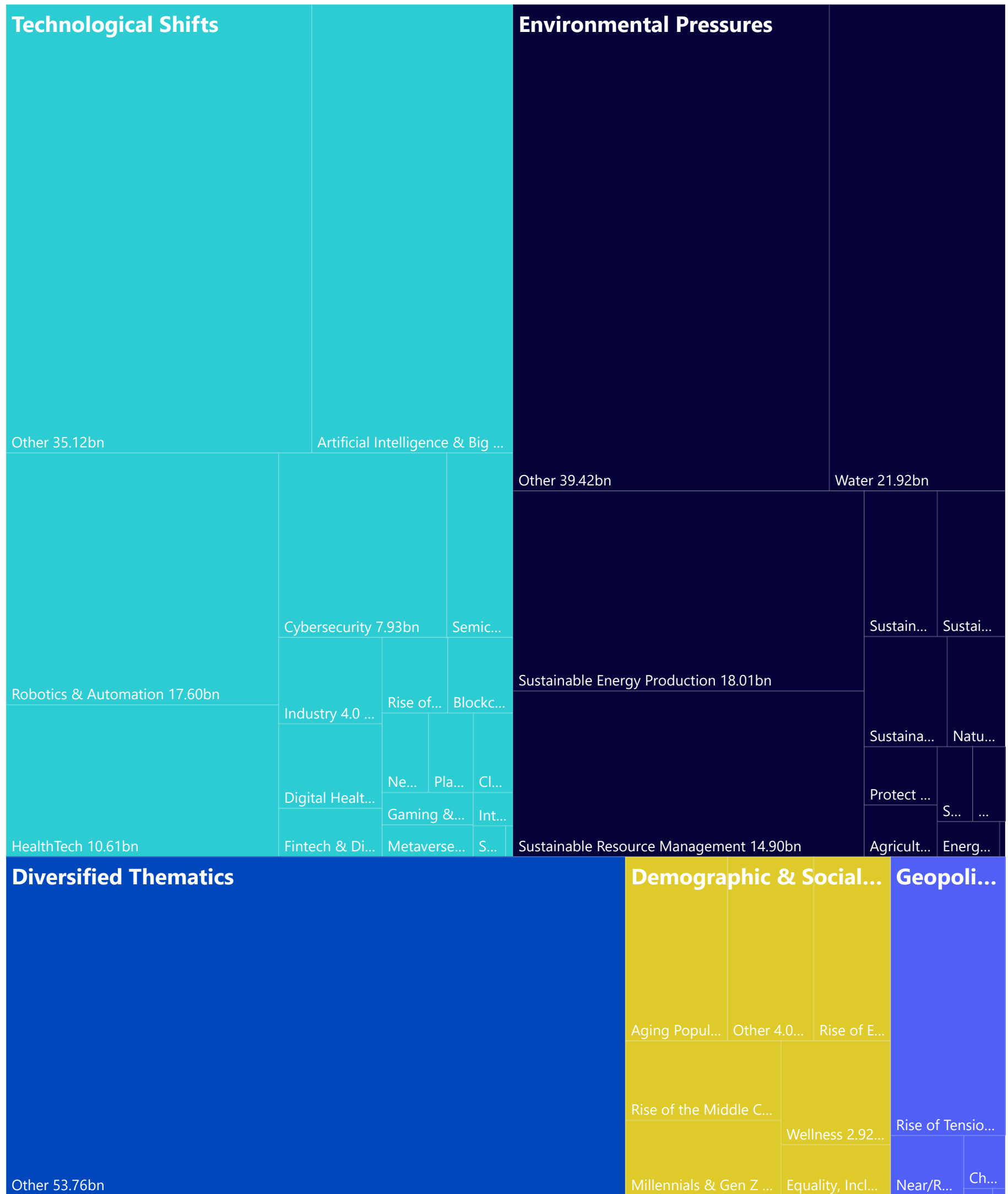


# Dispersion of YTD performance of all ETFs and mutual funds by themes in Europe



Source: WisdomTree, Morningstar, Bloomberg. All data as of 30/04/2025 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 30/04/2025 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		12,076.96M	-193.43M	-405.87M
Technological Shifts	Disruptive Technologies	14,725.57M	-166.63M	-356.17M
Technological Shifts	HyperConnectivity & Digitalisation	8,320.61M	-128.94M	-205.50M
Environmental Pressures		2,178.13M	-31.04M	-252.06M
Environmental Pressures	Climate Change & Sustainability	37,148.79M	-70.97M	-1,878.10M
Environmental Pressures	Limited Resources	88.44M	0.27M	1.97M
Diversified Thematics		53,757.86M	634.09M	306.27M
Demographic & Social Shifts		1,148.16M	-7.57M	-36.67M
Demographic & Social Shifts	Demographic Shifts	2,923.90M	13.15M	127.37M

## Appendix - Theme focused ETFs and Open-ended funds

Theme Name	AuM (\$)	Flows Last Month (\$)	Flows YTD (\$)	Performance Last Month	Performance YTD
Rise of Tension	8,186.72M	950.44M	4,731.04M	7.7%	25.1%
Semiconductors	3,127.81M	85.56M	-70.77M	0.1%	-12.3%
Artificial Intelligence & Big Data	23,109.06M	66.32M	988.66M	2.8%	-8.0%
Industry 4.0	2,285.35M	36.33M	19.16M	2.9%	-3.0%
Blockchain	1,264.07M	22.57M	164.14M	8.1%	-12.1%
Rise of China Tech	1,270.31M	16.48M	608.52M	-4.4%	5.2%
Nuclear	623.71M	11.56M	125.70M	8.6%	-7.9%
Protect Biodiversity	1,090.53M	11.31M	31.45M	2.6%	1.7%
Space	256.74M	4.23M	98.42M	3.3%	3.3%
Energy Transition Materials	560.32M	3.41M	55.97M	-0.5%	3.4%
Decarbonisation	50.97M	2.15M	-0.95M	2.2%	2.2%
Global Logistics	23.06M	0.64M	1.47M	-0.8%	-3.1%
Education			-54.37M	5.6%	5.7%
Political Polarisation	53.41M	0.00M	0.04M	5.3%	3.0%
Digital Infrastructure	58.21M	-2.75M	-3.18M	1.2%	2.6%
Sustainable Energy Storage	679.85M	-6.93M	-82.88M	-0.2%	-7.1%
Cloud Computing	805.72M	-8.15M	7.86M	3.0%	-6.8%
China's Rise	562.21M	-8.82M	-13.55M	-1.7%	5.5%
Gaming & Entertainment	754.38M	-9.00M	4.52M	8.5%	9.8%
Internet of Things	338.04M	-9.89M	169.69M	-0.0%	-7.1%
Platforms & Digital Markets	912.11M	-12.58M	-61.14M	2.2%	0.1%
Natural Resources	1,638.24M	-12.66M	-0.33M	-2.3%	2.9%
Near/Reshoring	1,127.66M	-14.26M	211.42M	0.1%	-7.3%
Aging Population	4,808.49M	-17.57M	-94.31M	2.5%	5.6%
Equality, Inclusion & Diversity	1,428.88M	-19.81M	-244.31M	2.0%	4.4%
Metaverse	743.29M	-25.71M	10.71M	2.6%	-3.7%
Agriculture & Food	965.79M	-28.21M	-103.39M	2.5%	4.1%
Rise of EM Consumer	3,617.92M	-28.76M	-158.80M	-0.7%	4.1%
Fintech & Digitalisation of Finance	1,279.44M	-35.85M	-106.67M	2.0%	-5.2%
NextGen Communications	946.24M	-42.96M	-58.21M	1.7%	-7.3%
Wellness	2,915.02M	-46.10M	-174.89M	0.4%	1.7%
Millennials & Gen Z	2,993.68M	-50.41M	-261.76M	2.9%	0.3%
Digital Health	2,239.01M	-57.86M	-153.98M	1.9%	-0.1%
Sustainable Food	2,726.92M	-69.59M	-546.46M	2.5%	1.7%
Sustainable Mobility	2,341.27M	-72.33M	-311.74M	-0.1%	-2.9%
Rise of the Middle Class	3,164.69M	-82.10M	-146.65M	1.4%	-3.2%
Sustainable Cities	2,535.35M	-106.11M	-14.54M	3.5%	0.9%
Cybersecurity	7,933.69M	-116.72M	810.73M	4.6%	2.9%
Sustainable Resource Management	14,897.81M	-161.87M	-1,365.84M	3.0%	2.1%
HealthTech	10,607.54M	-228.49M	-577.06M	1.1%	-2.3%
Water	21,916.72M	-335.28M	-1,049.96M	3.8%	5.3%
Robotics & Automation	17,600.25M	-337.93M	-654.27M	2.4%	-7.5%
Sustainable Energy Production	18,006.42M	-423.75M	-2,134.93M	1.8%	-3.2%

Source: WisdomTree, Morningstar, Bloomberg. All data as of 30/04/2025 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	HYPER 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
Rise of China Tech		Millennials & Gen Z	Equality, Inclusion & Diversity		Political Polarisation	Protect Biodiversity	Natural Resources
Blockchain	Cybersecurity		Rise of the Middle Class		Rise of Tension	Sustainable Mobility	Water
HealthTech	Digital Health		Rise of EM Consumer		Near/Reshoring	Sustainable Energy Production	Nuclear
Industry 4.0	Digital Infrastructure		Wellness			Sustainable Energy Storage	
Next Gen Communications	Fintech & Digitalisation of Finance					Sustainable Food	
Robotics & Automation	Gaming & Entertainment					Sustainable Cities	
Semiconductors	Internet of Things					Sustainable Resource Management	
Smart Materials & Nano Tech	Metaverse					Extreme Events	
Space	Platforms & Digital Markets					Energy Transition Materials	
Quantum Computing	Social Media & Media						

Source: WisdomTree, as of 30/04/2025

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