

WisdomTree European thematic monthly update

August 2025

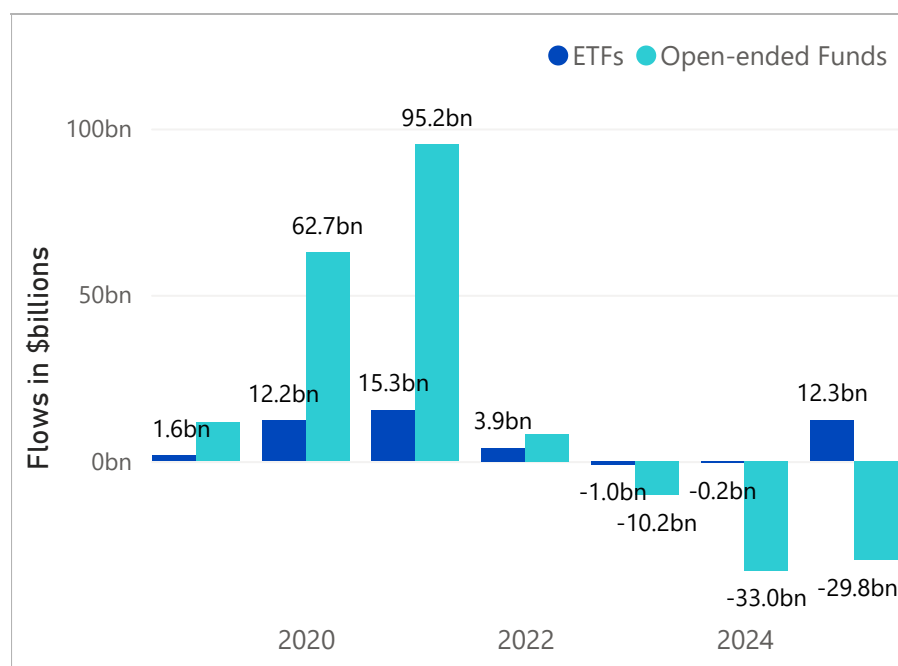
Thematic universe overview

+ AUM in thematic exchange-traded funds (“ETFs”) and open-ended funds increased to \$336.8bn, including \$68.8bn in thematic ETFs. The rise was driven mainly by strong August performance, with all themes ending the month in positive territory and 23 themes outperforming the MSCI ACWI. Total flows in August were \$0.1bn, but ETFs saw \$0.8bn of inflows while open-ended funds recorded \$0.7bn of outflows, lifting ETFs’ share of total thematic assets to a record 20.4%.

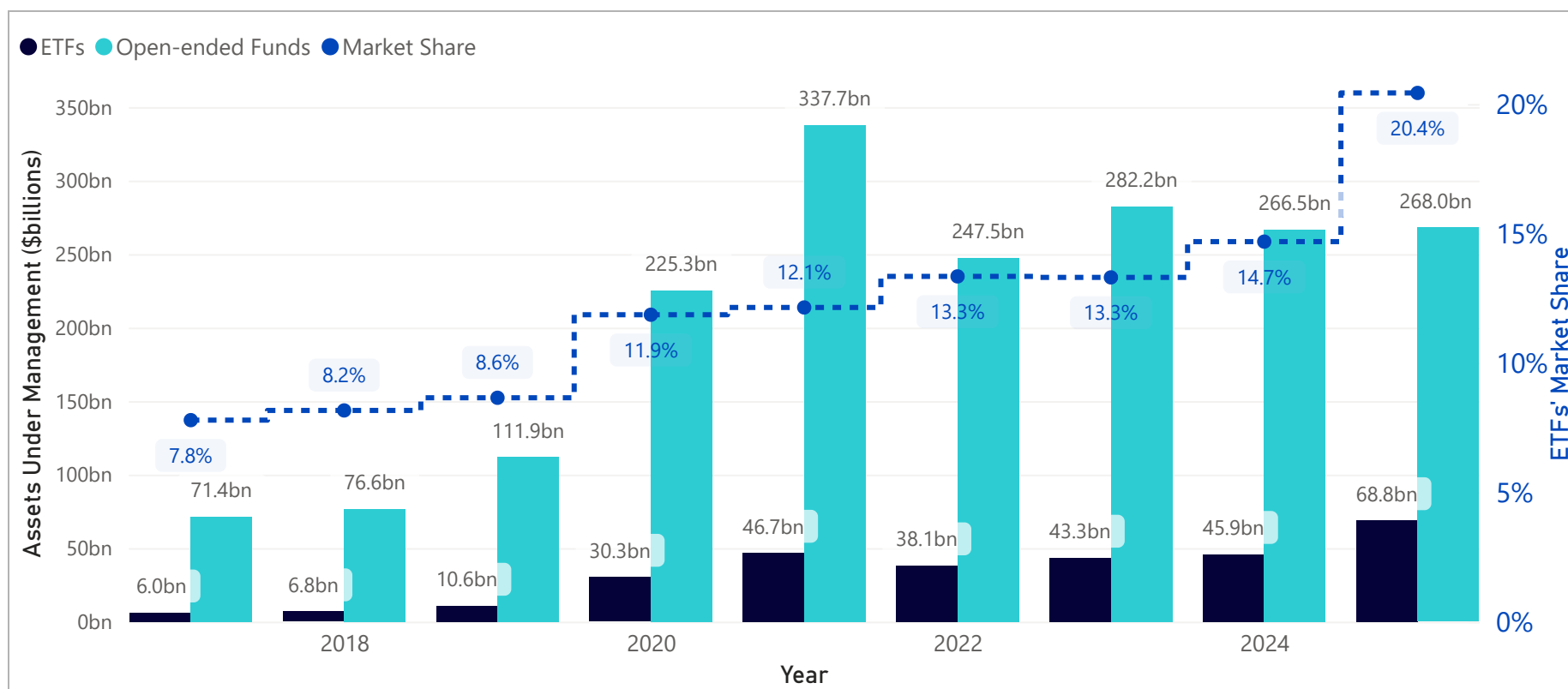
+ Performance in August was relatively strong. The Environmental Pressures cluster led, with 7 of the top 10 performing themes coming from this cluster. Although the cluster lagged last year, it has delivered resilient returns year-to-date. “Energy Transition Materials” was the best-performing theme in August, while “Political Polarisation” was the weakest, with a still-positive 0.3% return.

+ Flows into thematic ETFs remain resilient—monthly flows have been positive since January 2025, bringing YTD ETF inflows to \$12.3bn. By contrast, thematic open-ended funds have seen outflows in every month over the last 12 months, taking YTD outflows to \$29.8bn. Despite good returns, the Environmental Pressures cluster led outflows both YTD (\$26.2bn) and in August (\$0.6bn). This cluster once had the largest AUM but has been overtaken by Technological Shifts this year due to persistent redemptions in recent years.

Recent yearly flows in Europe



Europe-domiciled thematic AUM evolution and ETFs’ market share



Source: WisdomTree, Morningstar, Bloomberg. All data as of 31/08/2025 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.**

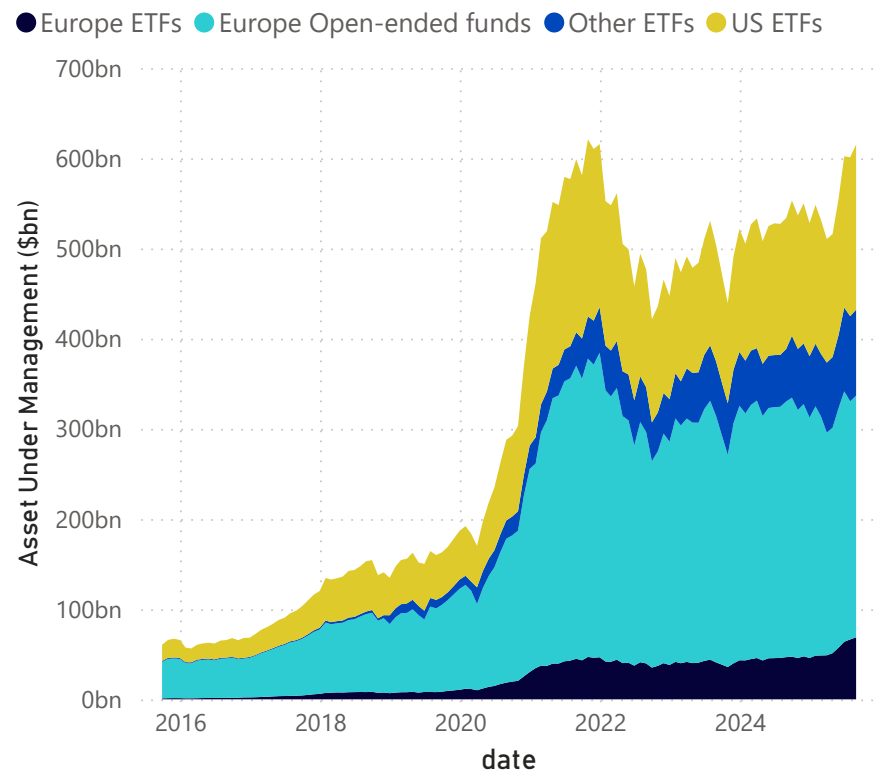
Thematic universe overview (continued)

+ At the theme level, "Rise of Tension" again attracted the most flows (\$271mn) in August, supported by ongoing focus on defence as European defence spending rises and geopolitical tensions persist. YTD, the theme has gathered \$10.4bn of inflows, of which \$9.6bn went to ETFs, with only a small amount to open-ended funds. "Sustainable Energy Production" saw the largest outflows both in August (\$173mn) and YTD (\$3.2bn), despite a 22% YTD return.

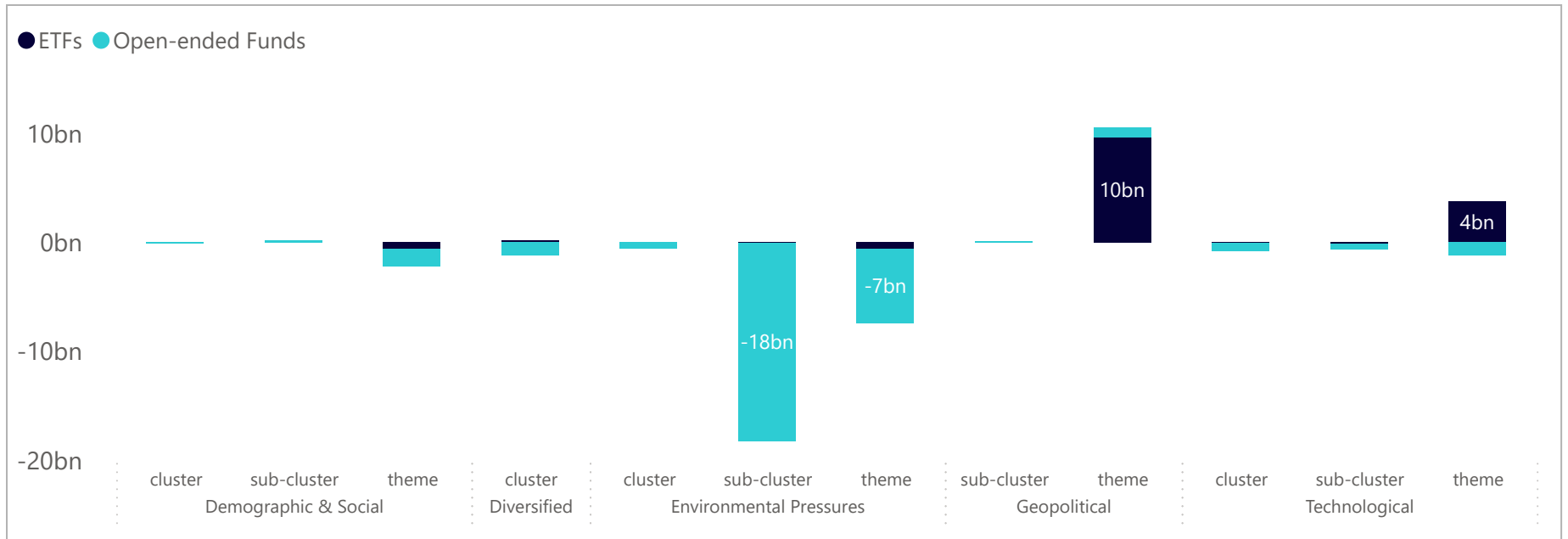
+ YTD, net flows remain concentrated in ETFs and in theme-level strategies benefiting from geopolitical and AI tailwinds. "Rise of Tension" - which mainly comprises defence-themed funds - leads, while tech themes such as "AI & Big Data," "Cybersecurity," and "China Tech" follow. Flows into "Nuclear" have also stood out recently, supported by the US plan to expand nuclear capacity and strong power demand from data centres.

+ Globally, combined AUM in global thematic ETFs and European thematic open-ended funds rose to \$615bn in August. Technological Shifts remained the largest cluster with \$330bn in AUM.

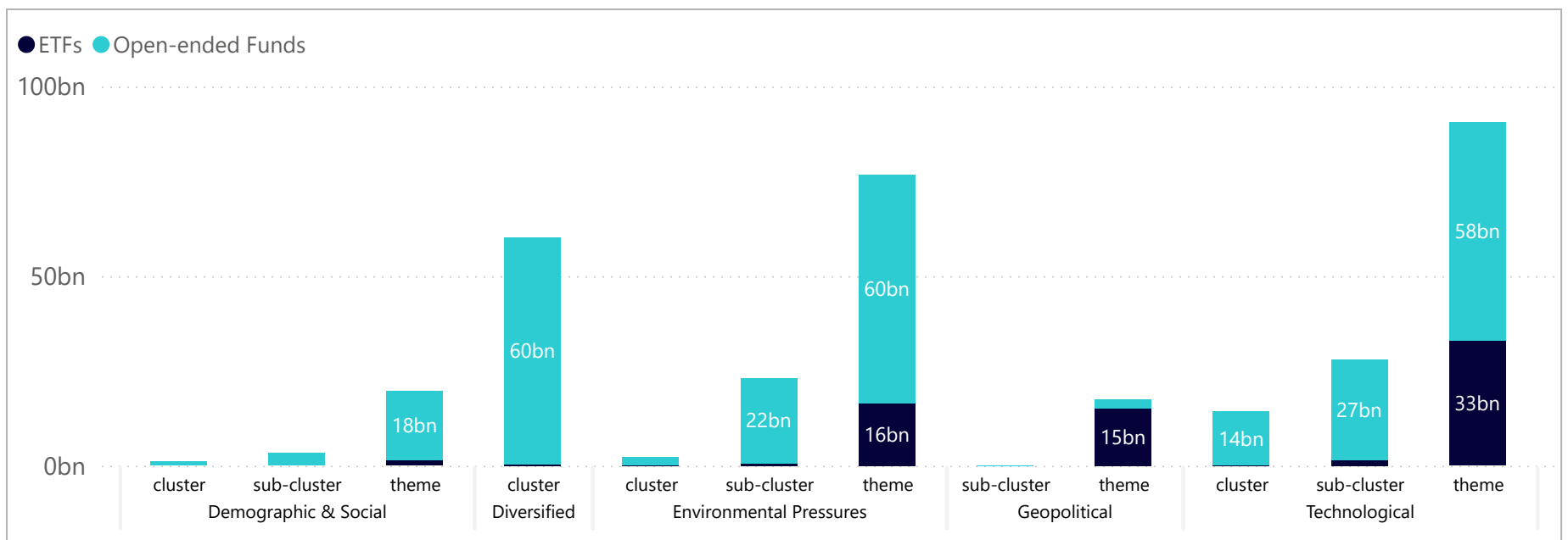
AuM in Thematics by region (Last 10Y)



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



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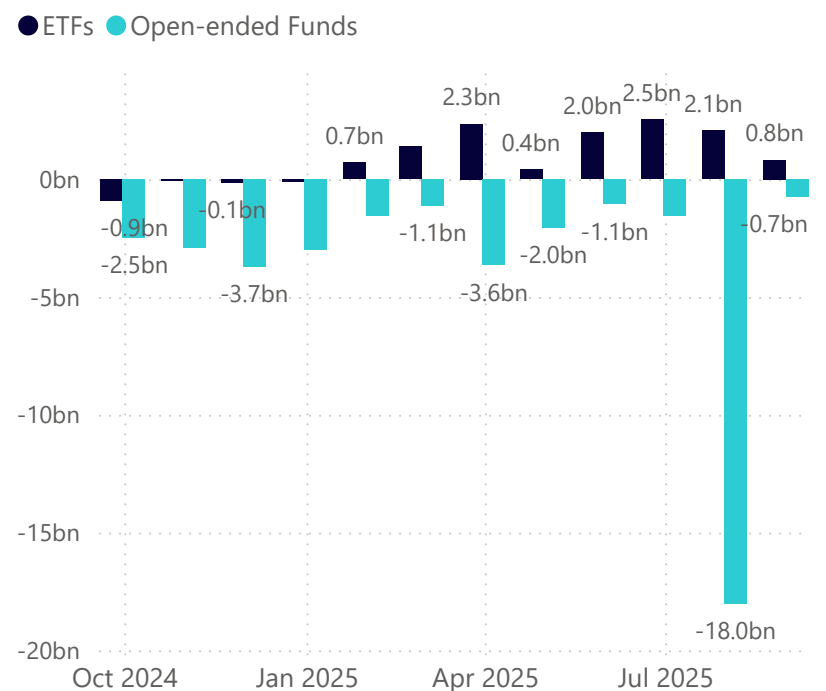
Thematic flows in Europe

+ August was relatively quiet in terms of flows, but investors continued to show stronger interest in thematic strategies offered by ETFs than by open-ended funds, as reflected in the top and bottom five themes by flows. Monthly flow patterns support this, with positive ETF flows and continued redemptions from open-ended funds. In total, open-ended funds saw -\$0.7bn of outflows in August, while ETFs saw \$0.8bn of inflows. Over the last 12 months, thematic ETFs took in \$11.1bn, whereas thematic open-ended funds saw \$41.8bn of outflows.

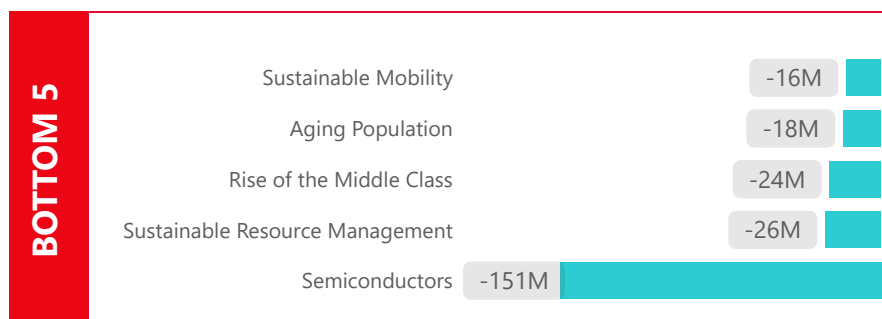
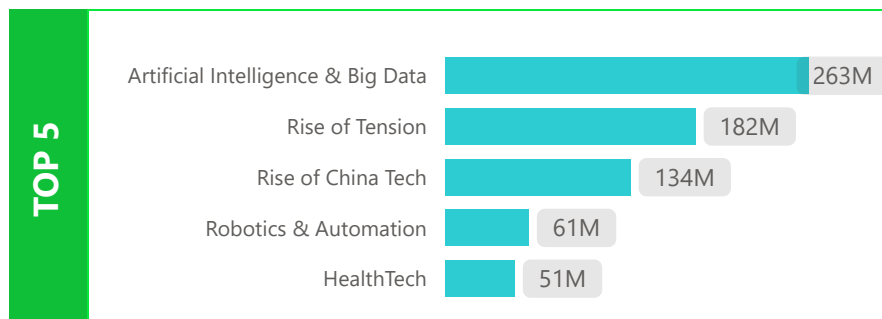
+ At the theme level, "Rise of Tension" drew the most in August (\$271mn), with the majority flowing into ETFs rather than open-ended funds. Flows into the theme have remained consistently strong this year, making it a regular presence among the top themes by flows. "AI & Big Data" followed, adding \$206mn. "China Tech," supported by strong recent performance, attracted \$138mn, completing the top three for the month. These are also the top three themes by YTD inflows.

+ Green themes - "Sustainable Energy Production" and "Sustainable Resource Management" - were the bottom two by flows in August. YTD, the two have collectively seen \$5.3bn of outflows despite both posting double-digit returns. "Semiconductors" and "Robotics & Automation," though both related to AI, show contrasting flow dynamics - each recorded significant outflows in August and YTD.

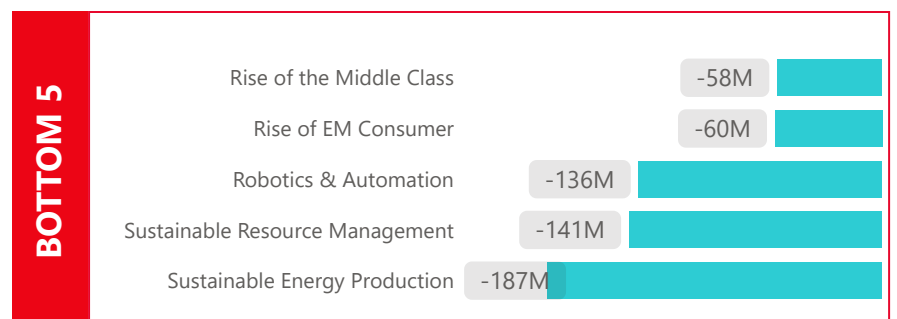
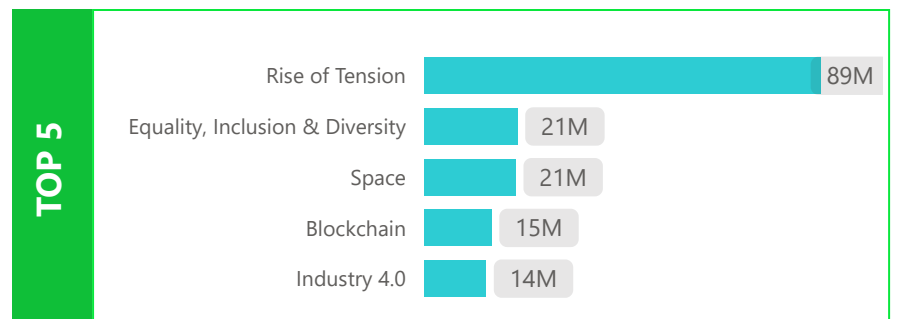
Month-on-month thematic flows



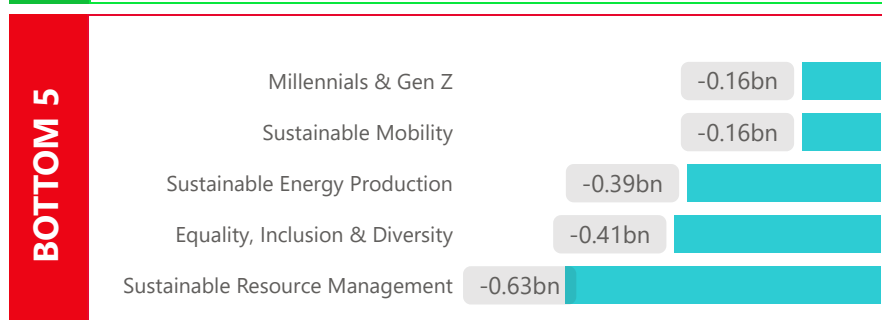
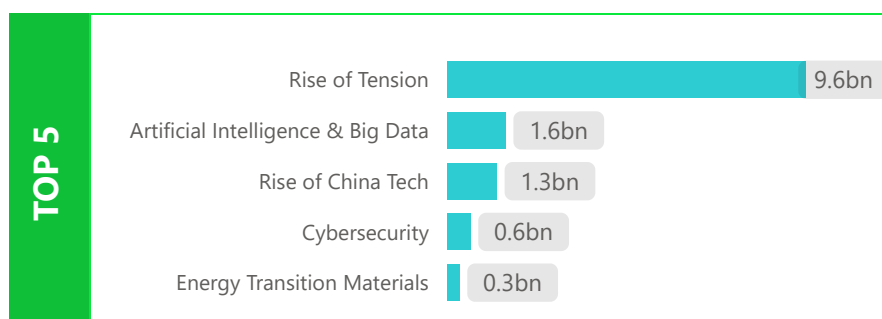
August Top/Bottom flows in Europe ETFs



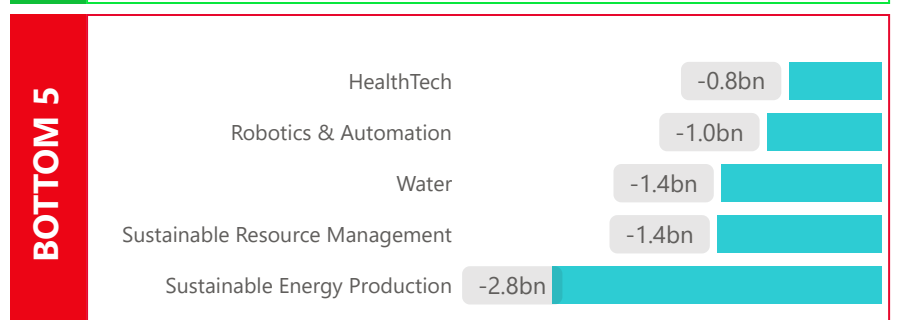
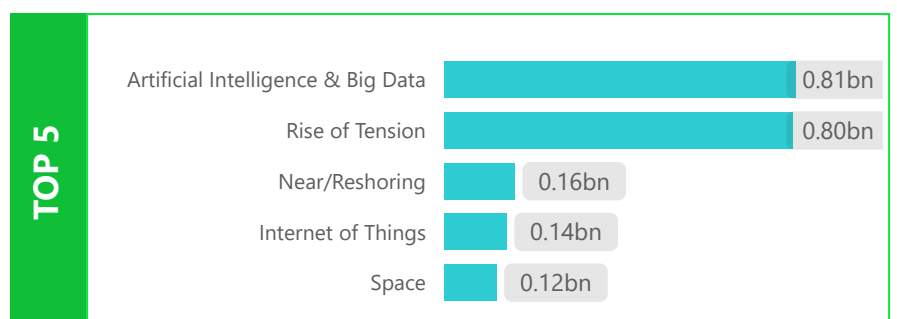
August Top/Bottom flows in Mutual Funds



YTD Top/Bottom flows in Europe ETFs



YTD Top/Bottom flows in Mutual Funds



Source: WisdomTree, Morningstar, Bloomberg. All data as of 31/08/2025 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.**

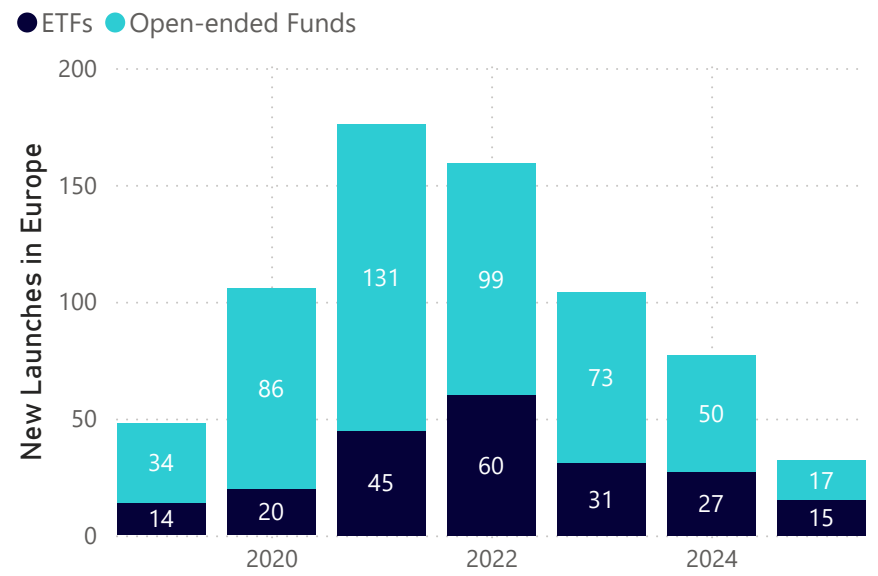
Thematic performance and launches in Europe

+ Thematic strategies delivered strong returns in August, with all themes in our classification posting gains and 23 themes outperforming the MSCI ACWI.

+ Although they saw outflows, green themes posted strong returns - 7 of the top 10 performers came from the Environmental Pressures cluster. "Energy Transition Materials" recorded the highest return. The theme includes rare earths, where investment commitments have risen as the US seeks alternative suppliers outside China. "China Tech" was the second-best performer, buoyed by strong momentum across the broader China market; "China's Rise" ranked third. "Nuclear" also featured in the top five; the theme began to surge in June following a US executive order to significantly expand nuclear capacity. YTD, Nuclear is up 45.9%, ranking second only to "Rise of Tension."

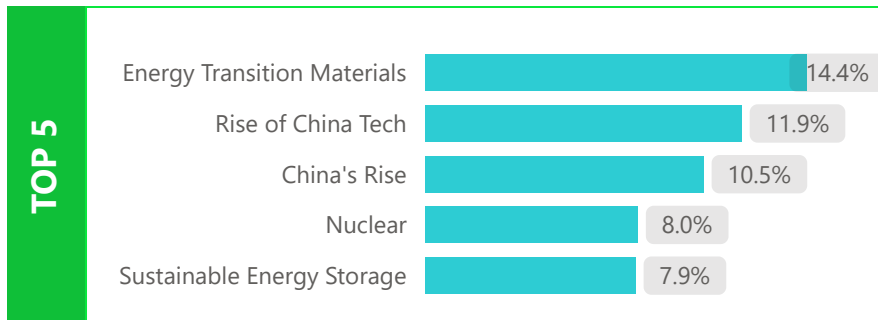
+ Among the laggards, "Political Polarisation" was the weakest performer in August but still posted a positive 0.3% return. The remaining four positions in the bottom five were taken by tech themes.

Yearly thematic launches in Europe*

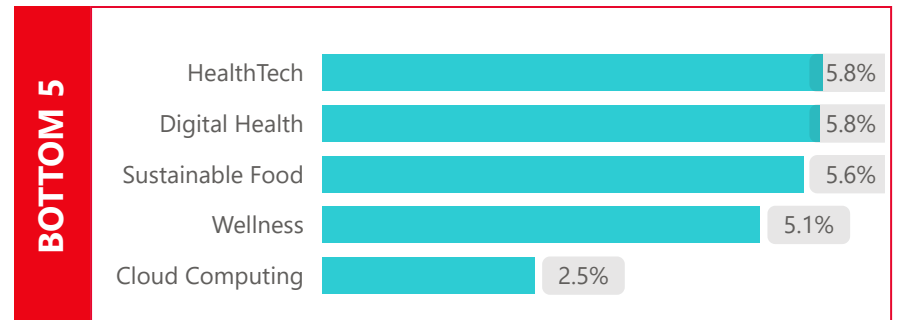
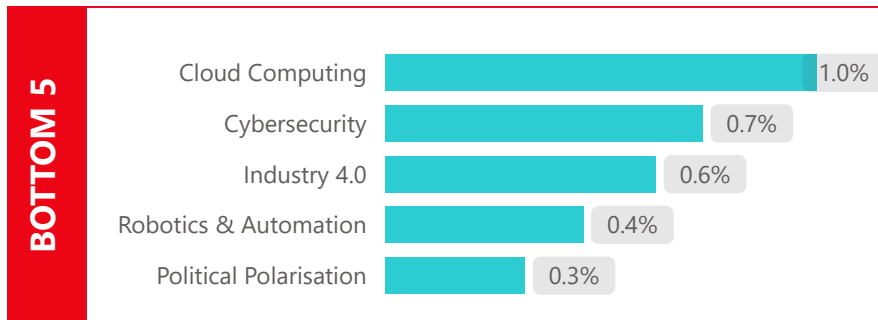
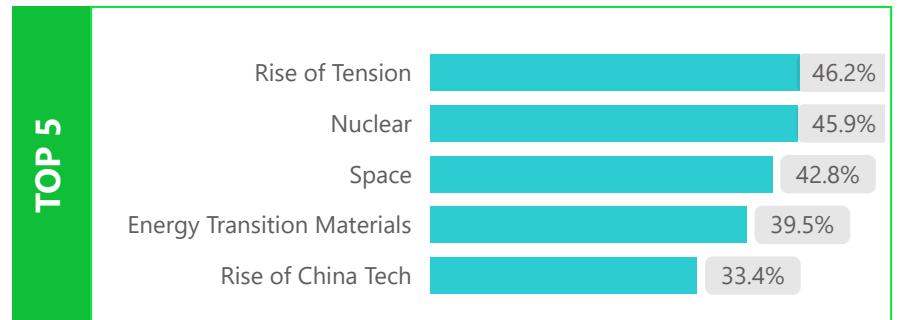


* New launches are updated quarterly

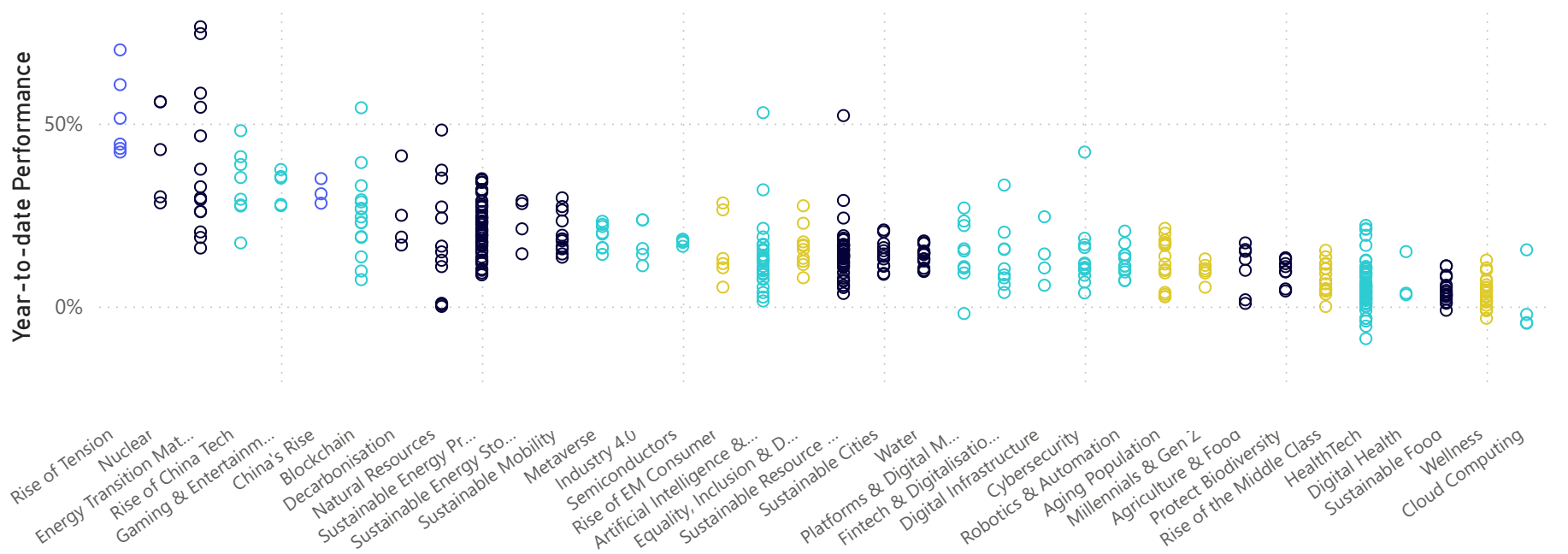
Top 5/Bottom 5 by performance in August



Top 5/Bottom 5 by YTD performance

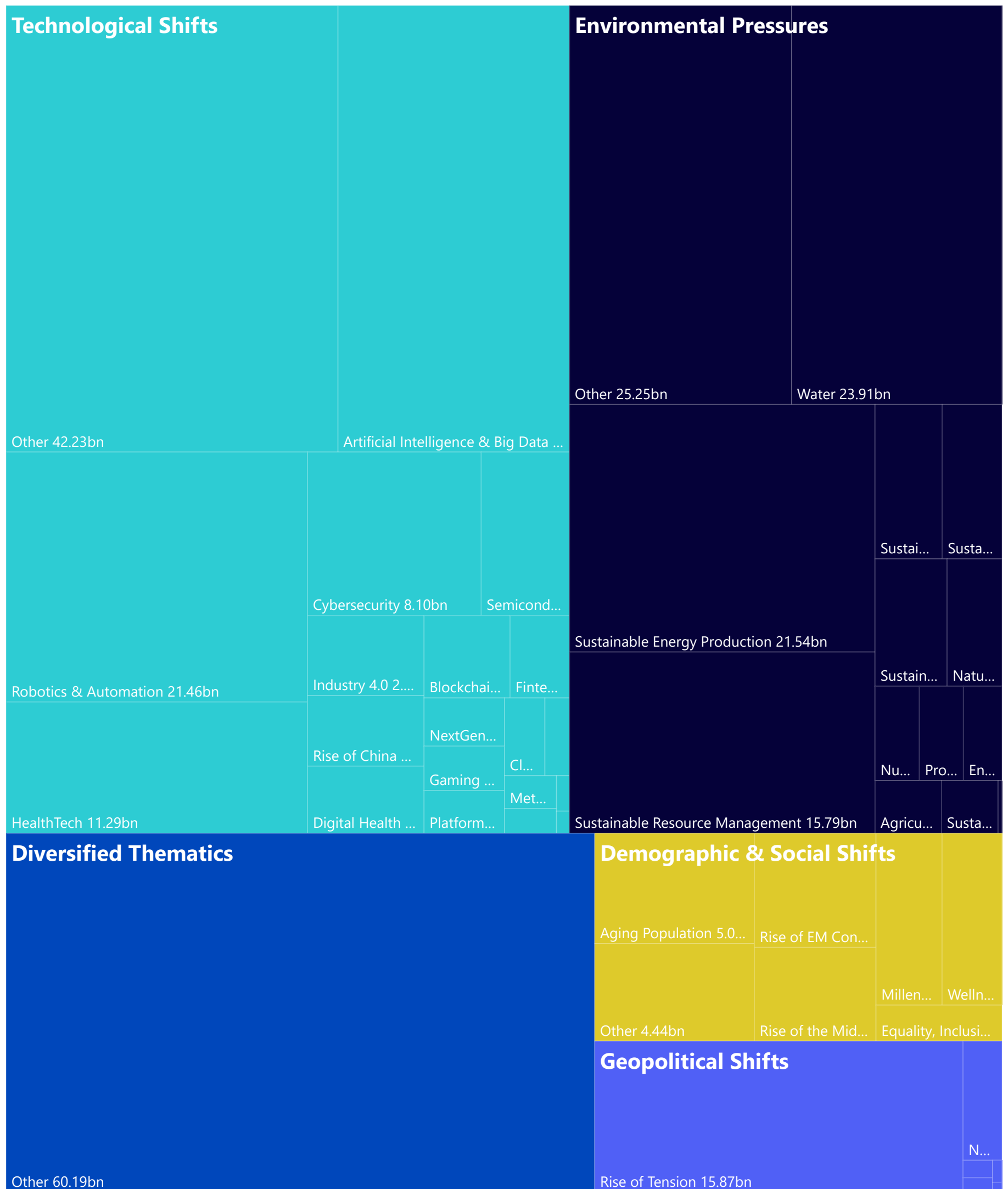


Dispersion of YTD performance of all ETFs and mutual funds by themes in Europe



Source: WisdomTree, Morningstar, Bloomberg. All data as of 31/08/2025 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 31/08/2025 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		14,231.78M	-116.43M	-773.70M
Technological Shifts	Disruptive Technologies	17,869.73M	-79.10M	-834.33M
Technological Shifts	HyperConnectivity & Digitalisation	10,129.81M	48.98M	191.63M
Geopolitical Shifts	Multipolarity	146.17M	28.98M	143.07M
Environmental Pressures		2,157.81M	-14.02M	-544.08M
Environmental Pressures	Climate Change & Sustainability	22,996.94M	-290.63M	-18,221.90M
Environmental Pressures	Limited Resources	98.57M	-0.42M	2.06M
Diversified Thematics		60,190.78M	475.52M	-977.25M
Demographic & Social Shifts		1,093.04M	-4.69M	-81.69M
Demographic & Social Shifts	Demographic Shifts	3,342.27M	11.97M	177.55M

Appendix - Theme focused ETFs and Open-ended funds

Theme Name	AuM (\$)	Flows Last Month (\$)	Flows YTD (\$)	Performance Last Month	Performance YTD
Rise of Tension	15,874.24M	270.95M	10,391.99M	1.0%	46.2%
Artificial Intelligence & Big Data	29,459.92M	205.91M	2,370.12M	1.2%	14.2%
Rise of China Tech	2,350.71M	138.39M	1,326.82M	11.9%	33.4%
Blockchain	2,022.54M	63.01M	239.38M	2.9%	25.6%
Energy Transition Materials	1,036.44M	46.90M	296.30M	14.4%	39.5%
Nuclear	1,192.72M	46.37M	298.51M	8.0%	45.9%
Quantum Computing	131.03M	40.74M	127.80M	3.2%	-
Space	546.51M	39.87M	278.96M	4.1%	42.8%
Natural Resources	1,988.19M	33.82M	30.16M	7.8%	24.2%
Cybersecurity	8,095.31M	33.04M	623.09M	0.7%	13.3%
Sustainable Cities	2,960.29M	31.31M	86.22M	1.8%	14.3%
Gaming & Entertainment	1,013.81M	21.33M	97.33M	4.1%	32.8%
Industry 4.0	2,657.38M	13.91M	96.80M	0.6%	18.0%
Equality, Inclusion & Diversity	1,290.21M	13.19M	-494.22M	2.3%	14.4%
Protect Biodiversity	1,183.23M	6.05M	2.56M	1.6%	9.3%
Digital Infrastructure	81.91M	3.26M	14.61M	2.5%	13.8%
NextGen Communications	1,107.67M	2.02M	-196.25M	4.0%	17.1%
Decarbonisation	58.52M	0.28M	-2.44M	5.0%	25.6%
Education			-54.91M	1.4%	27.6%
Political Polarisation	59.07M	0.00M	0.05M	0.3%	13.9%
Global Logistics	26.49M	-0.32M	1.00M	4.1%	12.7%
Metaverse	487.97M	-1.50M	-56.90M	1.8%	20.2%
HealthTech	11,286.66M	-1.99M	-863.84M	4.7%	5.8%
Internet of Things	366.44M	-2.79M	142.84M	2.6%	10.8%
China's Rise	122.89M	-5.40M	-38.19M	10.5%	30.8%
Cloud Computing	892.90M	-6.96M	-18.49M	1.0%	2.5%
Sustainable Energy Storage	851.64M	-8.46M	-131.16M	7.9%	21.2%
Platforms & Digital Markets	983.36M	-10.61M	-97.66M	2.2%	14.2%
Wellness	2,930.05M	-12.54M	-250.83M	3.3%	5.1%
Fintech & Digitalisation of Finance	1,393.23M	-13.59M	-198.08M	2.0%	14.1%
Water	23,909.67M	-14.78M	-1,353.69M	2.3%	14.2%
Agriculture & Food	1,000.69M	-16.96M	-128.47M	1.4%	10.4%
Millennials & Gen Z	3,238.10M	-17.00M	-507.99M	1.4%	11.8%
Sustainable Food	2,616.53M	-20.35M	-670.52M	1.7%	5.6%
Digital Health	2,231.90M	-22.14M	-243.39M	3.7%	5.8%
Aging Population	5,015.51M	-36.92M	-111.20M	2.8%	12.1%
Sustainable Mobility	2,627.49M	-42.98M	-558.58M	6.9%	21.1%
Near/Reshoring	1,320.08M	-47.07M	175.41M	1.3%	10.7%
Rise of EM Consumer	3,951.01M	-59.75M	-362.75M	4.2%	15.8%
Robotics & Automation	21,459.39M	-75.06M	-948.95M	0.4%	13.2%
Rise of the Middle Class	3,248.44M	-82.64M	-429.63M	4.2%	7.7%
Semiconductors	4,108.96M	-151.31M	-145.52M	1.2%	17.3%
Sustainable Resource Management	15,792.92M	-167.42M	-2,049.17M	2.9%	14.4%
Sustainable Energy Production	21,542.23M	-173.31M	-3,234.38M	4.9%	22.1%

Source: WisdomTree, Morningstar, Bloomberg. All data as of 31/08/2025 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	Electrification	
Rise of China Tech		Millennials & Gen Z	Equality, Inclusion & Diversity		Political Polarisation	Decarbonisation	Agriculture & Food
Blockchain	Cybersecurity		Rise of the Middle Class		Rise of Tension	Protect Biodiversity	Natural Resources
HealthTech	Digital Health		Rise of EM Consumer		Near/Reshoring	Sustainable Mobility	Water
Industry 4.0	Digital Infrastructure		Wellness			Sustainable Energy Production	Nuclear
Next Gen Communications	Fintech & Digitalisation of Finance					Sustainable Energy Storage	
Robotics & Automation	Gaming & Entertainment					Sustainable Food	
Semiconductors	Internet of Things					Sustainable Cities	
Smart Materials & Nano Tech	Metaverse					Sustainable Resource Management	
Space	Platforms & Digital Markets					Extreme Events	
Quantum Computing	Social Media & Media					Energy Transition Materials	

Source: WisdomTree, as of 30/06/2025

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