

WisdomTree European thematic monthly update

December 2025

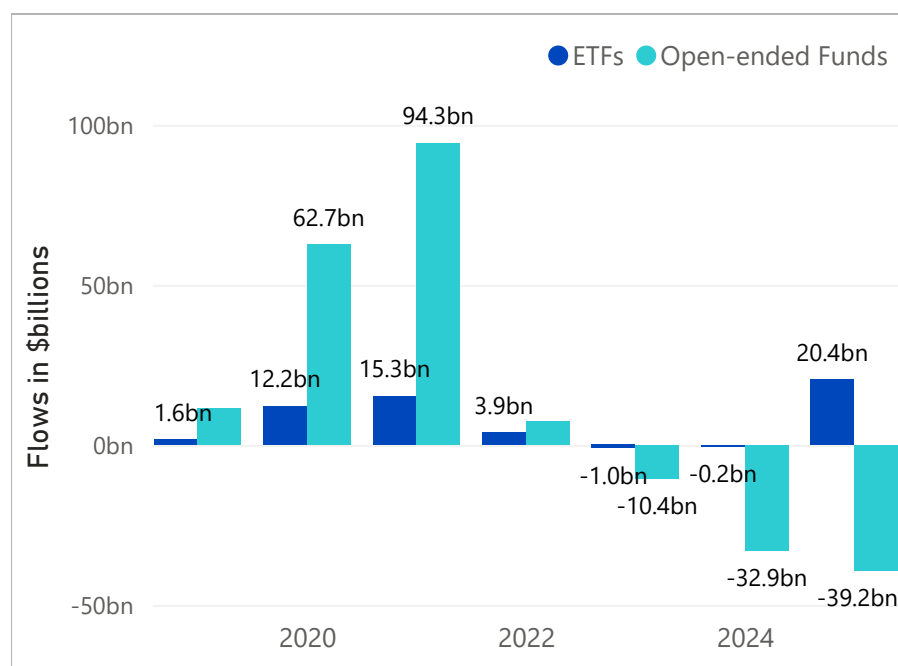
Thematic universe overview

+ 2025 was a strong year for thematic ETFs, but a tough year for thematic open-ended funds. The divergence in flows between thematic ETFs and thematic open-ended funds continued. ETFs saw positive net inflows in 11 months of the year on a monthly basis, except November. In 2025, thematic ETFs saw \$20.4bn. On the other hand, thematic open-ended funds saw \$39.2bn of outflows in 2025, with outflows in each month on a monthly basis.

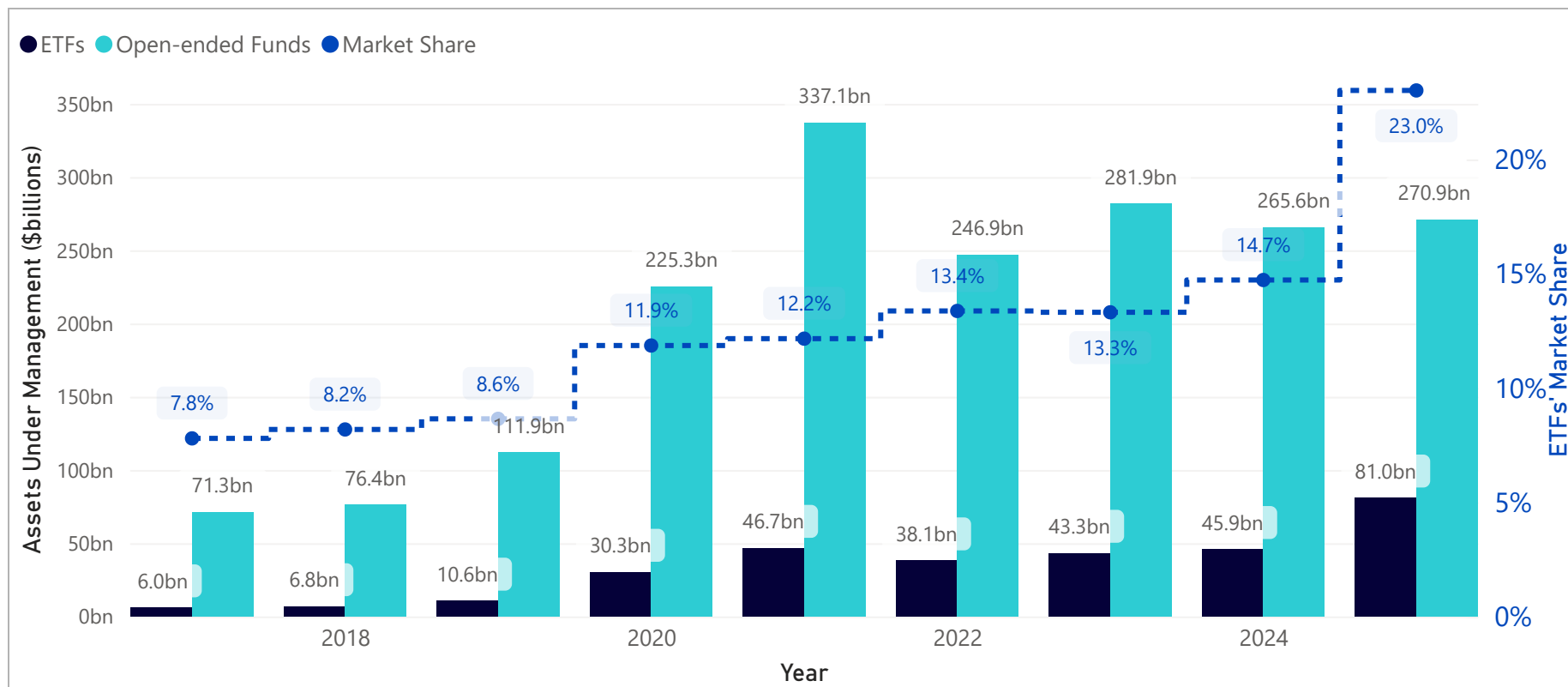
+ At the end of December, AUM in thematic ETFs and open-ended funds was broadly unchanged versus the previous month, staying at \$351.9bn, including \$81.0bn in thematic ETFs. Flows were relatively quiet in December. Overall flows were around -\$0.5bn, with ETFs seeing \$1.1bn of inflows while open-ended funds saw \$1.6bn of outflows. Only 15 themes outperformed MSCI ACWI, while 31 themes closed the month with positive returns.

+ At the cluster level, only the Geopolitical Shifts cluster saw positive flows in December, with \$356mn of inflows. This took its YTD inflows to \$13.8bn, making it the cluster with the largest inflows in 2025. The Environmental Pressures cluster saw the most outflows, with \$484mn of outflows in December, taking its YTD outflows to \$28.9bn. It was also the cluster with the largest outflows in 2025.

Recent yearly flows in Europe



Europe-domiciled thematic AUM evolution and ETFs' market share



Source: WisdomTree, Morningstar, Bloomberg. All data as of 31/12/2025 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.**

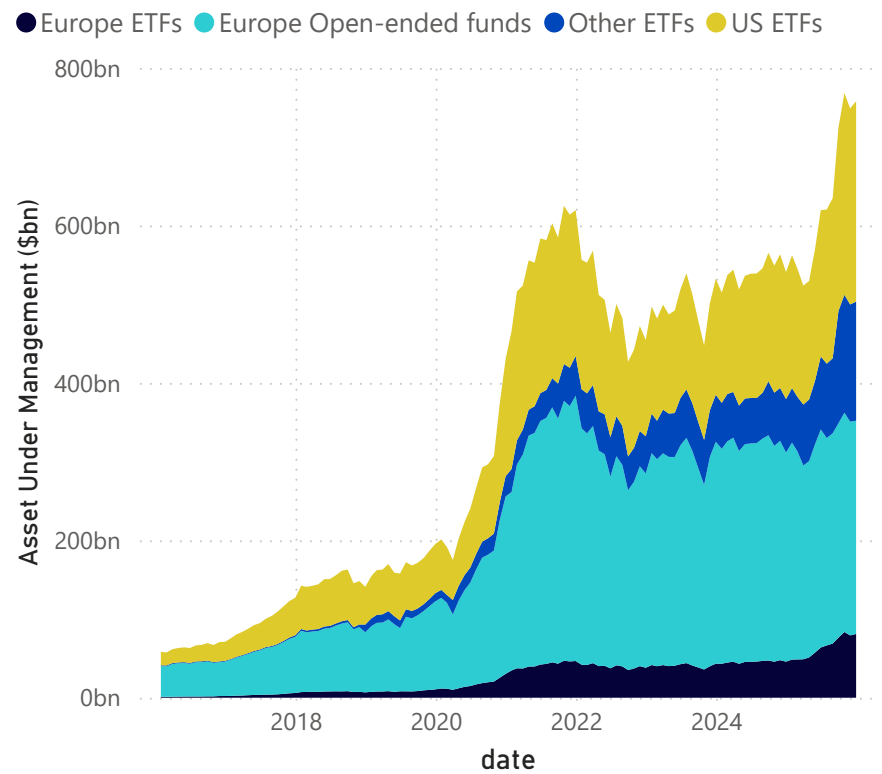
Thematic universe overview (continued)

+ At the theme level, Energy Transition Materials recorded the largest inflows in December. The theme was supported by multiple tailwinds in 2025. Strong copper prices due to supply constraints, rare earth supply risk driven by geopolitical tensions, and strong demand for lithium linked to energy storage demand collectively boosted the theme. Share prices also reflected these tailwinds. The theme returned 91% in 2025 and was the best-performing theme of the year.

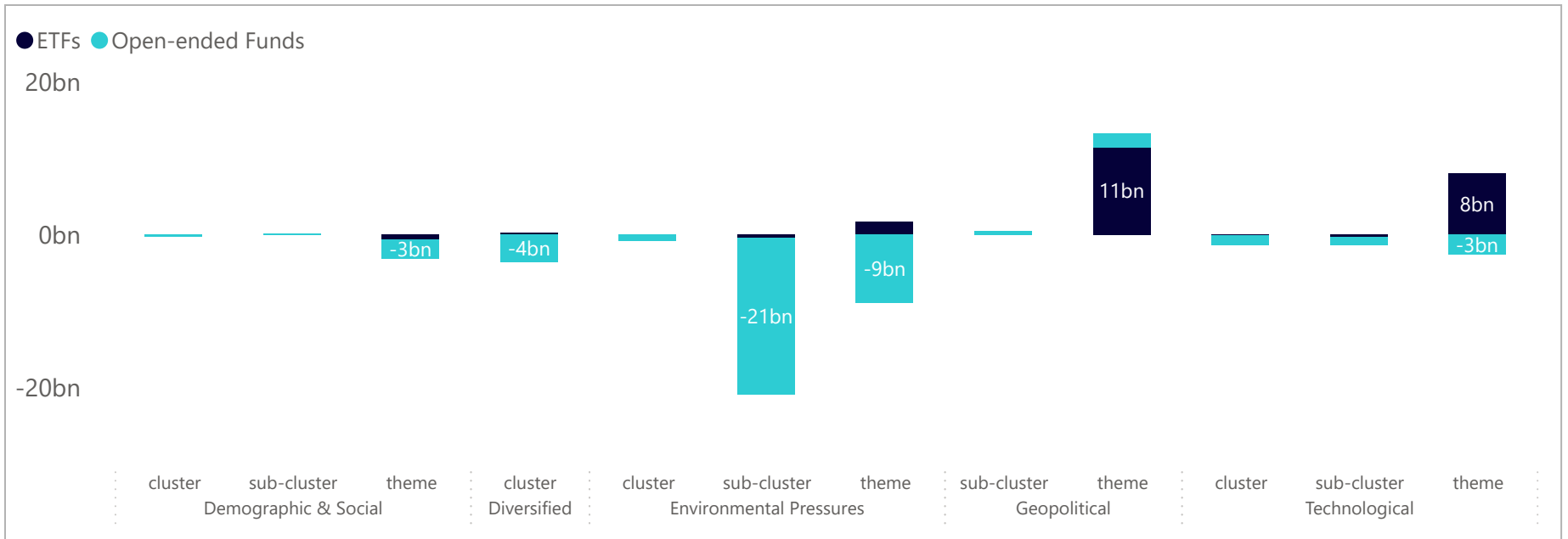
+ Rise of Tension saw \$330.5mn of inflows in December, taking 2025 flows to \$13.2bn, making it the theme with the most inflows in 2025. We saw many developments in the defence sector after the new US administration came to power. As the US shifted its position on the Russia-Ukraine war, Europe announced more defence spending and played a more active role in supporting Ukraine. Geopolitical themes, especially Europe defence, saw strong inflows amid rising geopolitical tensions throughout the year.

+ AI & Big Data was the theme with the largest outflows in December. The theme saw \$334 million of outflows across ETFs and open-ended funds in total, with most outflows coming from open-ended funds. The theme's performance was volatile earlier in 2025, but strengthened in H2. Large investments in AI infrastructure drove demand across the ecosystem, including GPUs, memory, connectivity, cooling, and power. Despite outflows in December, the theme attracted \$2.4bn of inflows in 2025 and ranked third by flows for the year.

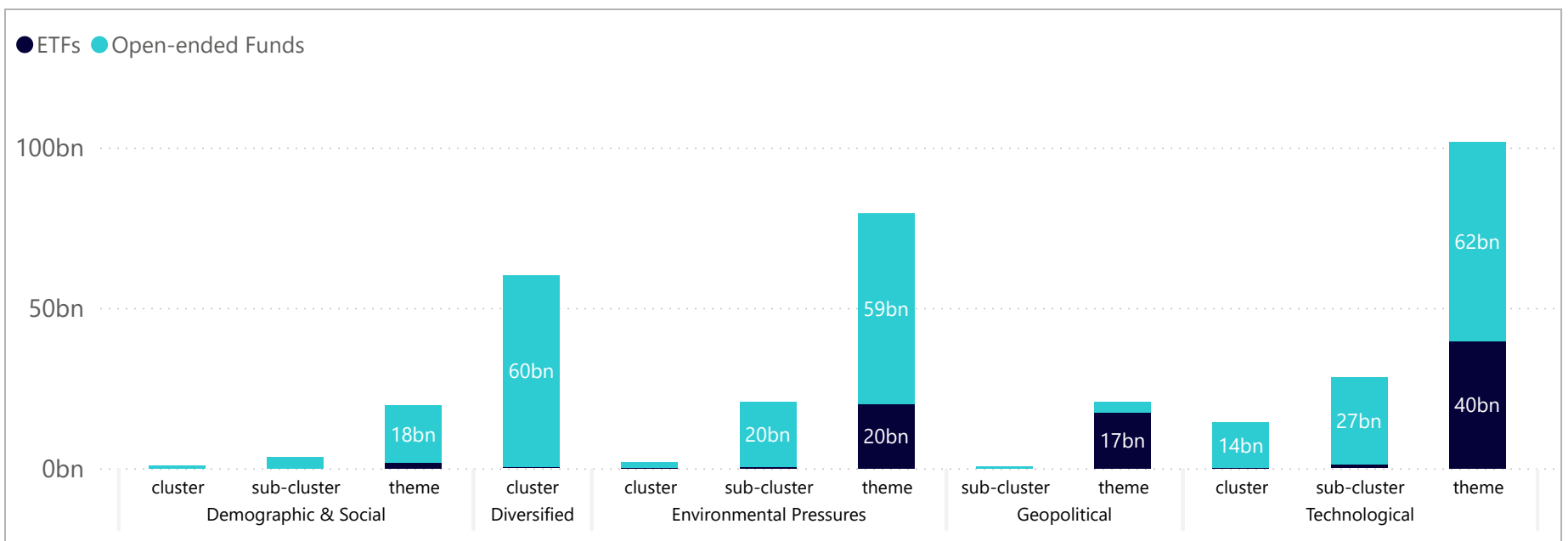
AuM in Thematics by region (Last 10Y)



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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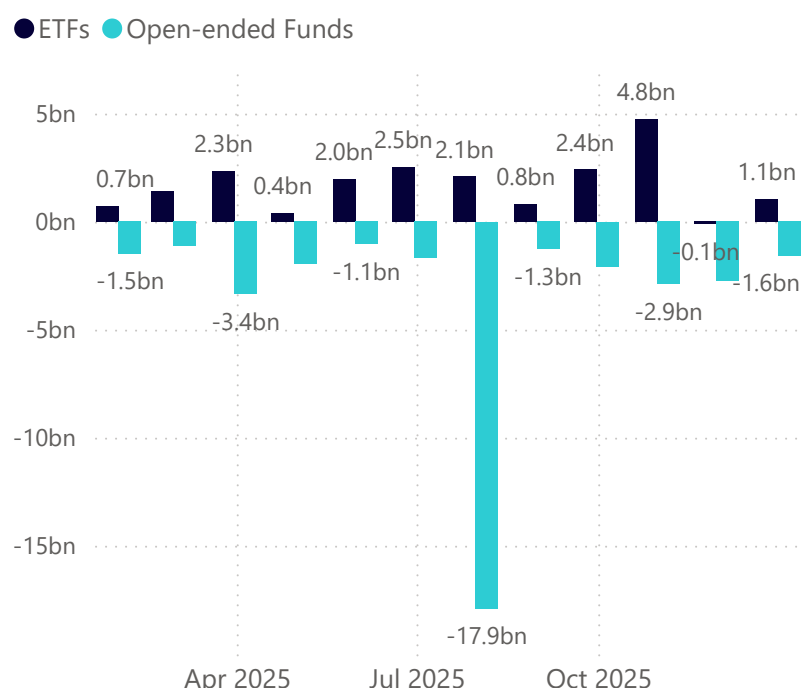
Thematic flows in Europe

+ Flows in December continued to show a divergence between ETFs and open-ended funds. ETFs saw inflows, while open-ended funds saw outflows. This divergence also lifted thematic ETFs' share to 23.0%. This represented a significant increase in 2025.

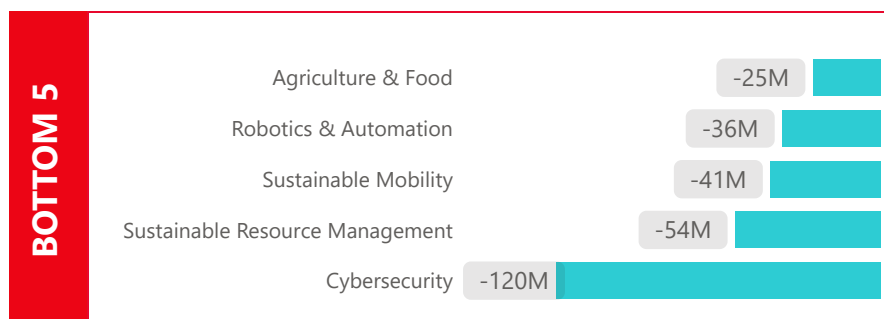
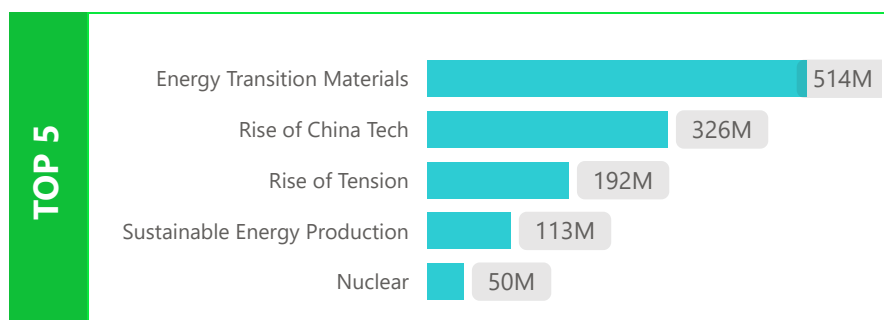
+ December's flows were led by Energy Transition Materials and Rise of Tension, as discussed on the previous page. Another notable development was the return of a green theme to the top five. Sustainable Energy Production has struggled since 2023, but it saw net inflows in two of the last three months. In December, it recorded \$333mn of inflows across ETFs and open-ended funds, making it the second strongest theme by net flows.

+ Two factors improved investor sentiment towards the theme. First, the large expansion plans for AI infrastructure boosted power demand. This brought renewable energy back onto the market's radar as an important part of Energy Addition. Second, Chinese companies have a significant market share in the solar and wind energy sectors. As the broader Chinese market rebounded in H2, the theme was also supported. Over the year, the theme still saw \$2.6bn of net outflows, but recent inflows may be an early sign of a recovery.

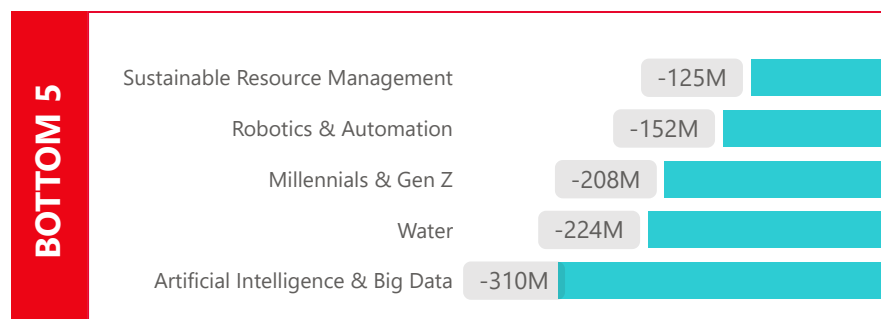
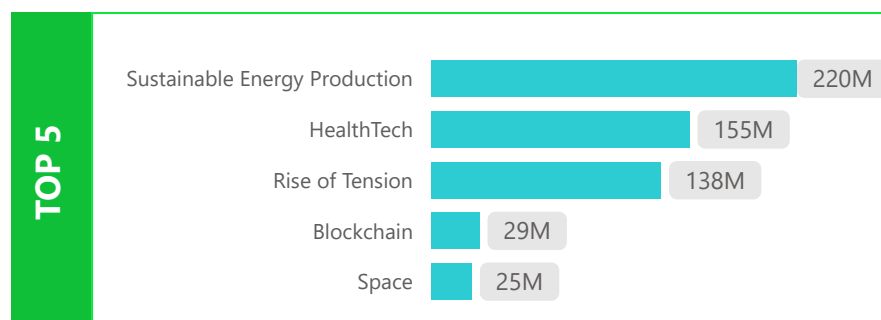
Month-on-month thematic flows



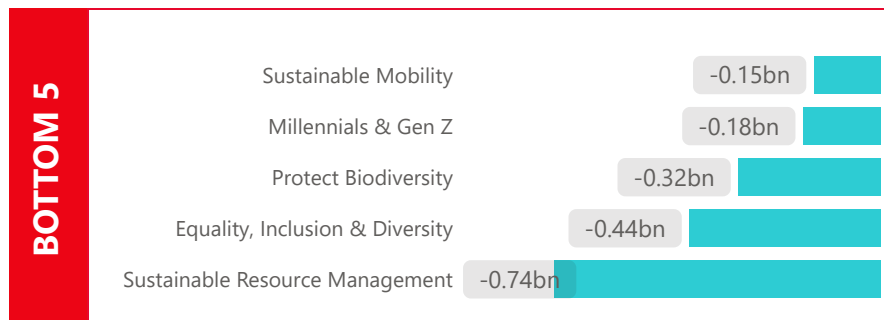
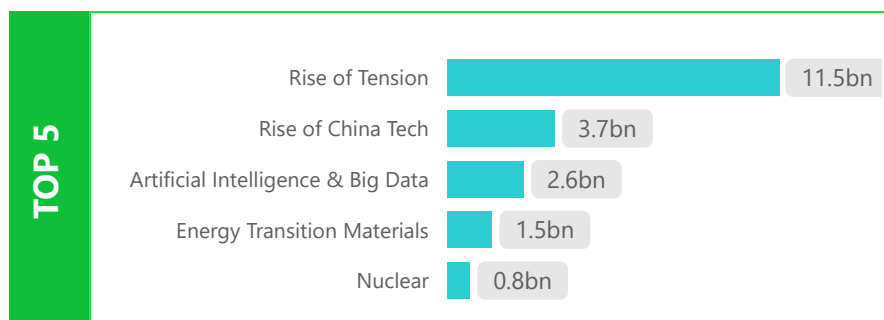
December Top/Bottom flows in Europe ETFs



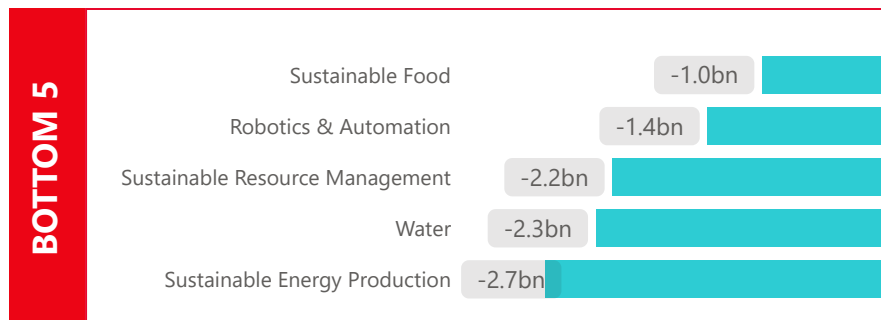
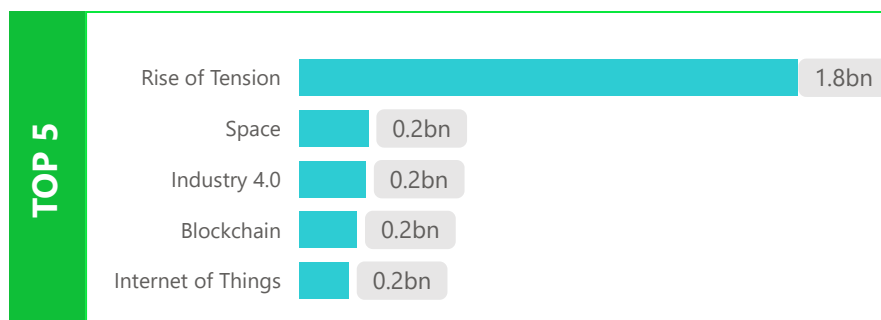
December Top/Bottom flows in Mutual Funds



YTD Top/Bottom flows in Europe ETFs



YTD Top/Bottom flows in Mutual Funds



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Thematic performance and launches in Europe

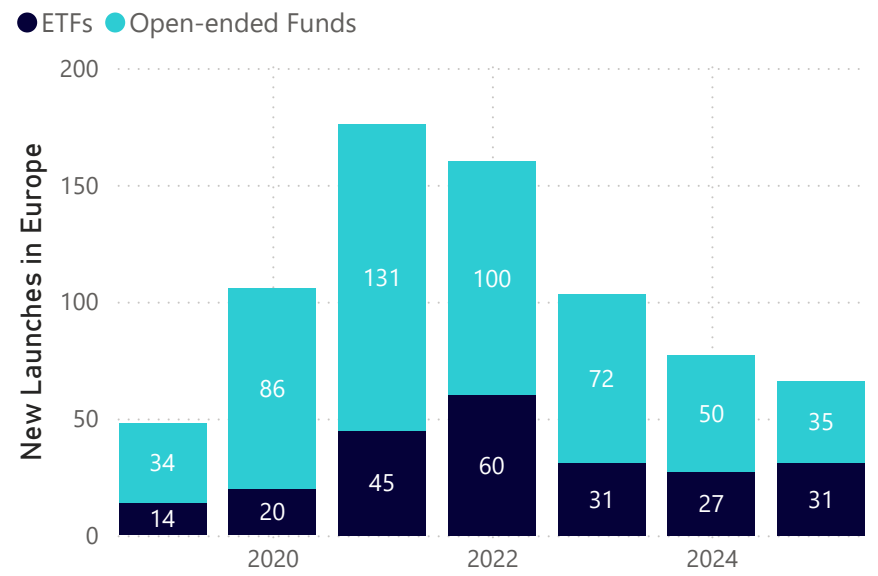
+ After a weak November, themes posted a relatively modest performance in December. Most themes returned between -3% and 3% during the month, with only 15 themes outperforming MSCI ACWI.

+ Energy Transition Materials was the best-performing theme, returning 10.2% in the month. It was also the best-performing theme in 2025. Higher copper prices, strong demand for lithium, and ongoing tensions around rare earth elements (REEs) were the main factors driving the theme in both December and across the year. Space followed, returning 9.6% in December. Expectations for a SpaceX IPO in 2026 and discussion of a trillion-dollar valuation supported sentiment towards the Space theme and lifted performance.

+ In contrast, Blockchain was the worst-performing theme in December, falling 8.4%. The sharp decline in bitcoin's price in November and a weak rebound in December also weighed on blockchain performance.

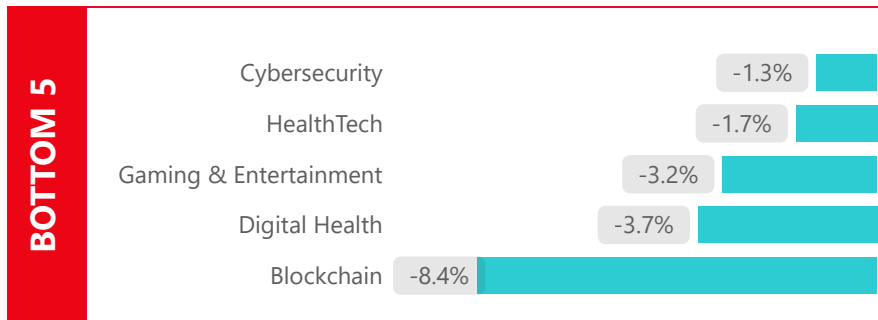
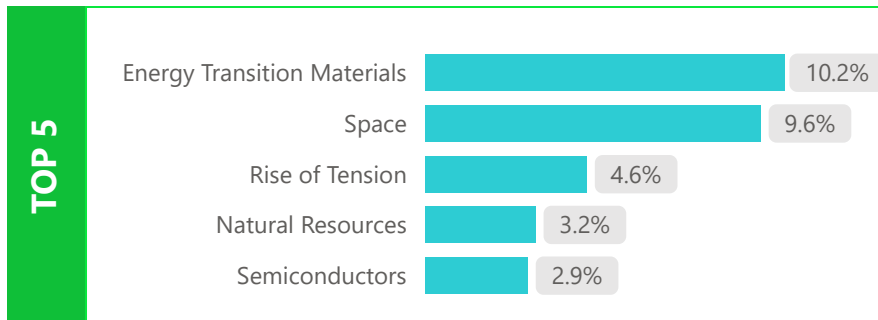
+ Regarding launches, only 35 thematic open-ended funds were launched in 2025, the lowest level since 2019. Meanwhile, 31 thematic ETFs were launched during the year, a similar level to 2023.

Yearly thematic launches in Europe*

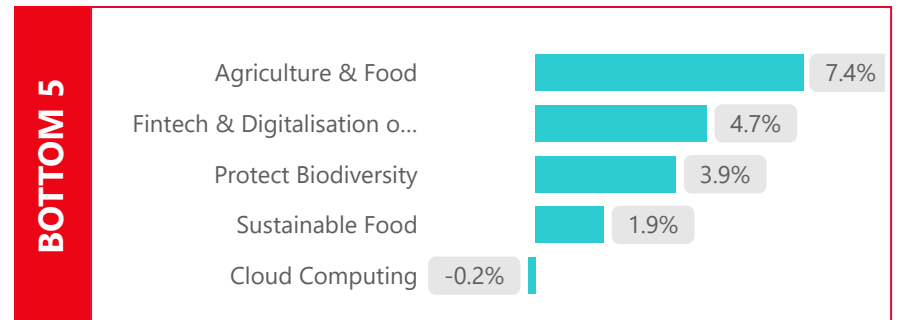
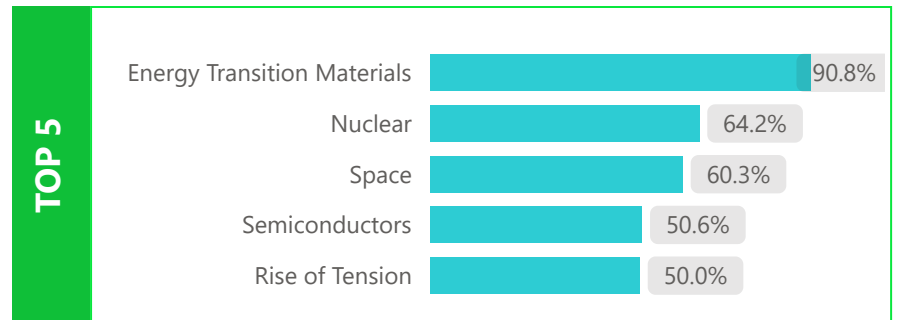


* New launches are updated quarterly

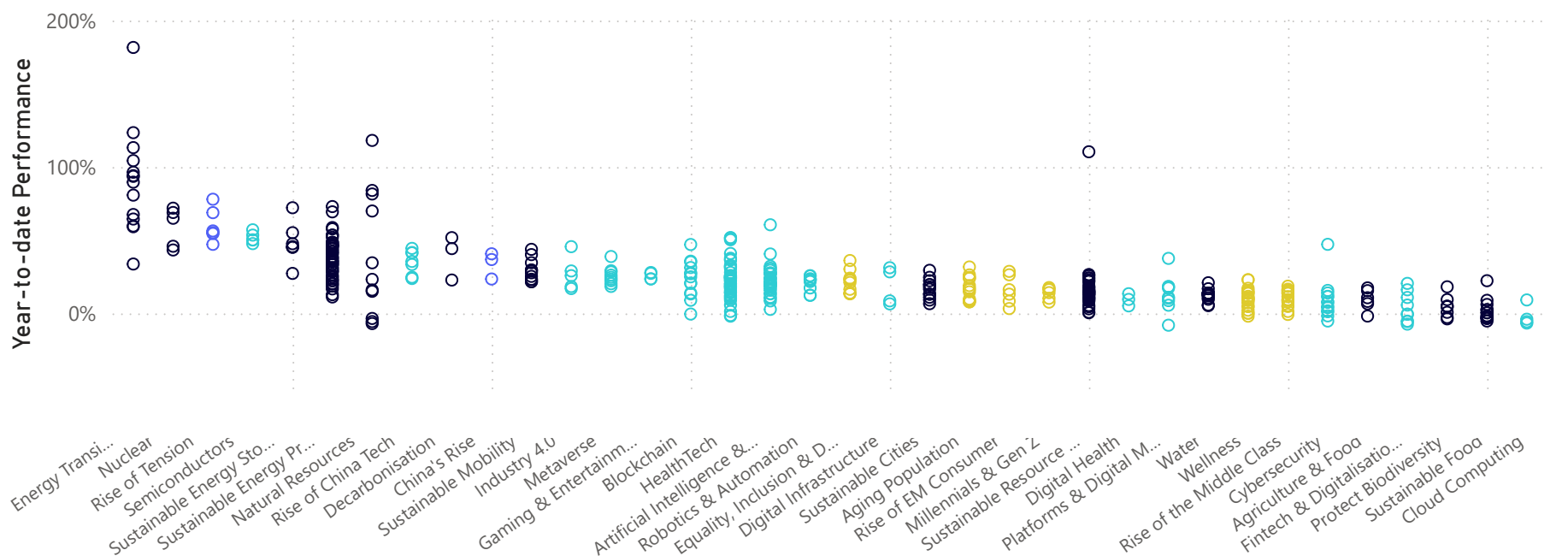
Top 5/Bottom 5 by performance in December



Top 5/Bottom 5 by YTD performance

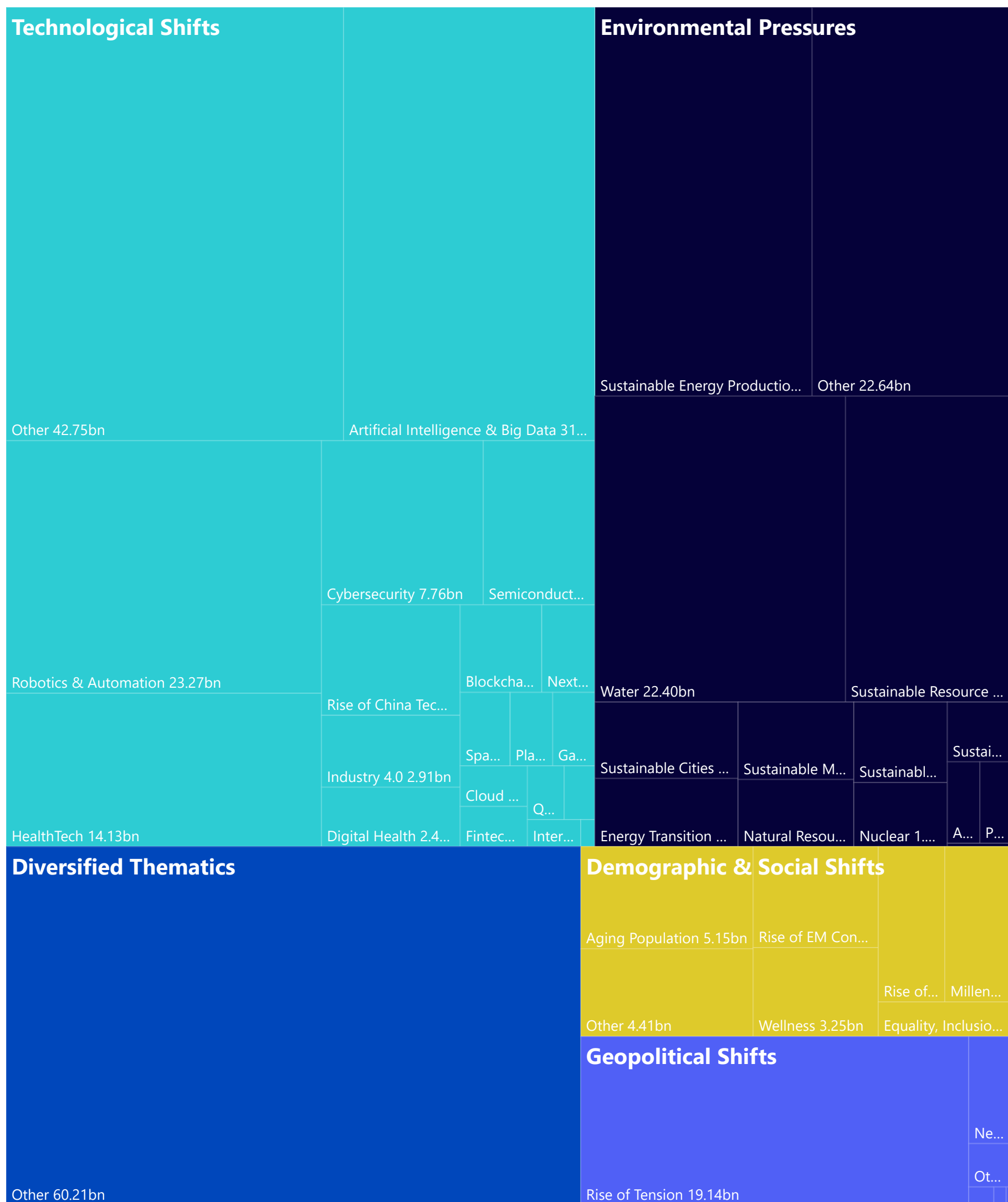


Dispersion of YTD performance of all ETFs and mutual funds by themes in Europe



Source: WisdomTree, Morningstar, Bloomberg. All data as of 31/12/2025 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 31/12/2025 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		14,302.80M	-180.42M	-1,345.52M
Technological Shifts	Disruptive Technologies	18,530.16M	62.81M	-1,141.98M
Technological Shifts	HyperConnectivity & Digitalisation	9,912.79M	-86.79M	-185.03M
Geopolitical Shifts	Multipolarity	539.49M	41.96M	529.44M
Environmental Pressures		1,895.75M	-84.31M	-763.28M
Environmental Pressures	Climate Change & Sustainability	20,645.06M	-798.02M	-20,930.21M
Environmental Pressures	Limited Resources	95.01M	-1.84M	-4.51M
Diversified Thematics		60,214.20M	237.63M	-3,238.87M
Demographic & Social Shifts		938.93M	-10.60M	-269.07M
Demographic & Social Shifts	Demographic Shifts	3,475.77M	-17.78M	136.22M

Appendix - Theme focused ETFs and Open-ended funds

Theme Name	AuM (\$)	Flows Last Month (\$)	Flows YTD (\$)	Performance Last Month	Performance YTD
Energy Transition Materials	2,850.61M	522.40M	1,521.50M	10.2%	90.8%
Sustainable Energy Production	24,678.35M	333.42M	-2,562.94M	0.3%	38.8%
Rise of Tension	19,136.17M	330.53M	13,244.88M	4.6%	50.0%
Rise of China Tech	4,473.17M	325.73M	3,627.28M	0.2%	34.5%
HealthTech	14,130.73M	166.70M	-642.36M	-1.7%	23.7%
Blockchain	2,087.31M	64.92M	319.67M	-8.4%	25.3%
Space	1,071.80M	56.93M	695.08M	9.6%	60.3%
Nuclear	1,749.13M	53.35M	788.84M	1.5%	64.2%
Natural Resources	2,270.55M	51.59M	281.43M	3.2%	36.9%
Semiconductors	5,349.36M	39.67M	-79.12M	2.9%	50.6%
Quantum Computing	578.30M	37.30M	590.81M	0.2%	26.9%
NextGen Communications	1,359.23M	20.94M	-80.79M	0.5%	29.8%
Equality, Inclusion & Diversity	1,342.70M	5.26M	-509.73M	2.1%	19.6%
Internet of Things	420.68M	5.04M	177.43M	1.1%	13.2%
Industry 4.0	2,914.99M	4.93M	220.06M	1.0%	27.4%
Aging Population	5,153.89M	1.62M	-119.66M	0.9%	16.9%
Metaverse	481.56M	1.20M	-24.21M	-0.4%	26.8%
Political Polarisation	66.04M	0.02M	0.07M	2.3%	27.3%
China's Rise	135.06M	0.01M	-30.47M	0.8%	33.1%
Education			-52.28M	-0.7%	23.7%
Global Logistics	28.02M	-0.08M	1.96M	1.7%	15.0%
Digital Infrastructure	111.46M	-1.17M	38.69M	0.3%	18.6%
Decarbonisation	62.08M	-1.73M	-3.92M	2.3%	34.1%
Sustainable Cities	3,194.31M	-7.38M	254.44M	0.1%	17.0%
Sustainable Energy Storage	1,117.79M	-8.78M	-112.69M	1.7%	48.4%
Platforms & Digital Markets	915.14M	-10.11M	-137.70M	-0.5%	12.7%
Gaming & Entertainment	905.17M	-12.62M	62.26M	-3.2%	25.5%
Protect Biodiversity	748.69M	-12.74M	-349.98M	-0.3%	3.9%
Digital Health	2,403.81M	-12.81M	-337.39M	-3.7%	15.1%
Wellness	3,246.81M	-12.92M	-184.51M	-0.6%	10.6%
Near/Reshoring	1,333.42M	-16.84M	85.64M	0.6%	20.9%
Sustainable Food	2,199.80M	-24.02M	-975.08M	0.3%	1.9%
Cloud Computing	797.37M	-29.80M	-120.96M	0.3%	-0.2%
Agriculture & Food	775.77M	-32.87M	-326.54M	0.2%	7.4%
Rise of the Middle Class	3,022.06M	-40.70M	-762.09M	1.1%	9.8%
Rise of EM Consumer	3,690.72M	-46.34M	-583.47M	-0.1%	16.0%
Sustainable Mobility	2,618.75M	-82.26M	-540.08M	2.5%	32.4%
Fintech & Digitalisation of Finance	787.69M	-87.57M	-399.72M	-0.7%	4.7%
Cybersecurity	7,756.38M	-141.60M	508.15M	-1.3%	8.6%
Sustainable Resource Management	14,824.98M	-178.68M	-2,904.62M	0.7%	15.8%
Robotics & Automation	23,272.40M	-188.09M	-1,352.14M	1.9%	22.2%
Water	22,398.70M	-212.93M	-2,274.73M	-0.7%	12.6%
Millennials & Gen Z	3,018.73M	-214.67M	-899.98M	0.2%	15.9%
Artificial Intelligence & Big Data	31,824.02M	-334.00M	2,379.61M	0.6%	23.8%

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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 31/12/2025

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