

WisdomTree European thematic monthly update

July 2025

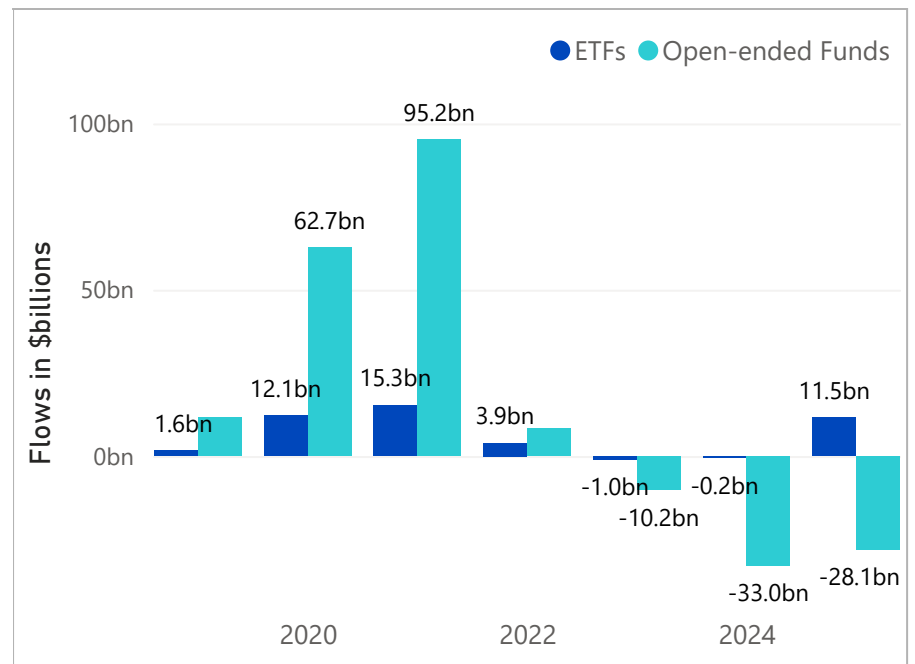
Thematic universe overview

+ AUM in European thematic strategies decreased by \$10B in July to \$331B mainly due to outflows within open-ended funds and specifically just one fund responsible for a \$15.1B redemption. ETF's market share continued to notch higher to a new record of 20.1% driven both by flows and performance.

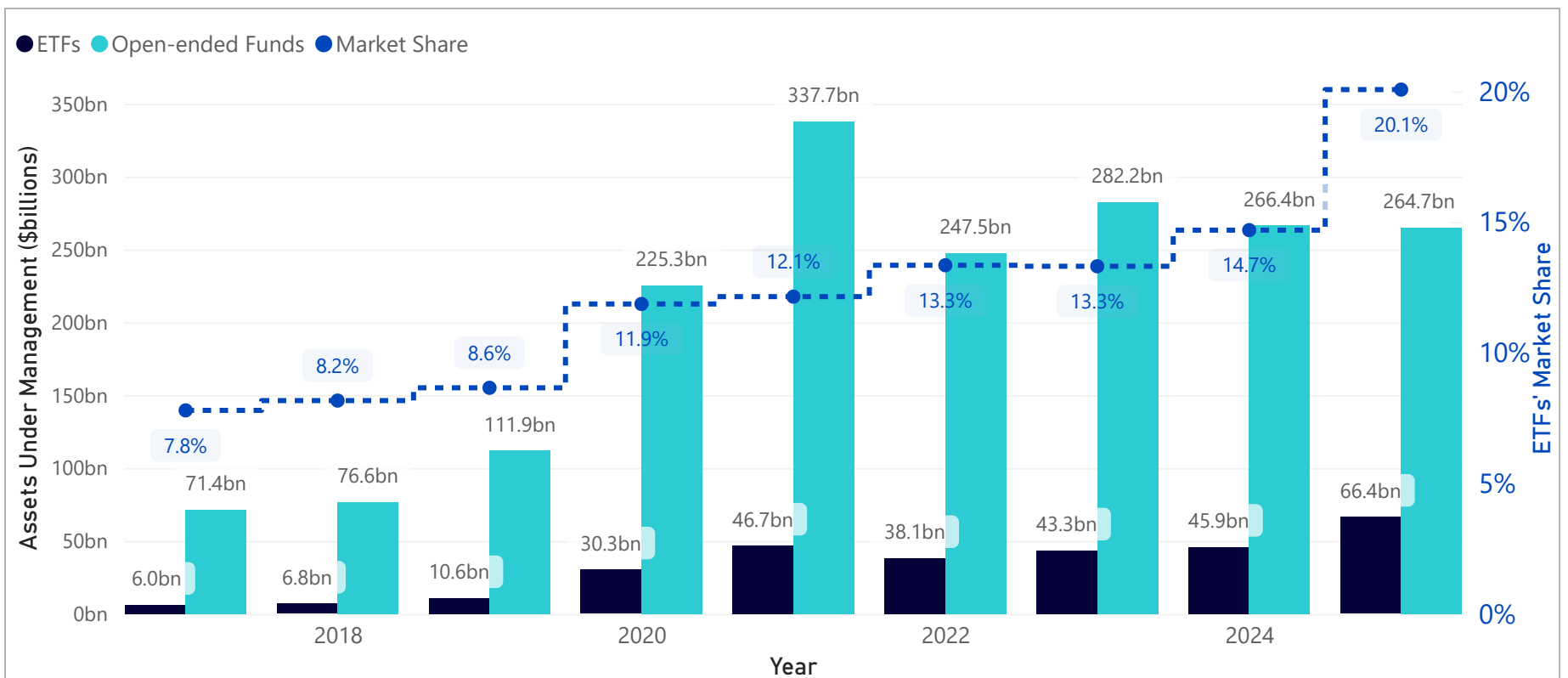
+ July performance across themes was relatively strong vs. MSCI ACWI, with 19 themes returning above 1.36% posted by the broad equity gauge. Notable strength was observed in green themes, with "Sustainable Energy Storage" topping the performance table.

+ Total flows in thematic funds turned negative in July driven by \$17B of outflows in open-ended funds vs. \$2.1B inflows into ETFs. One fund classified within the "Climate Change & Sustainability" sub-cluster drove the outflows with a one-day redemption of \$15.1B. Irrespective of this specific outflow, July marked the seventh consecutive month with net outflows from open-ended funds vs. net inflows into ETFs. Although, within ETFs, flows have been largely supported by the "Rise of Tension" theme year-to-date, capturing the rise of European Defence stocks, the top 5 themes in July outside of "Rise of Tension" contributed \$0.8B in flows.

Recent yearly flows in Europe



Europe-domiciled thematic AUM evolution and ETFs' market share



Source: WisdomTree, Morningstar, Bloomberg. All data as of 31/07/2025 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.**

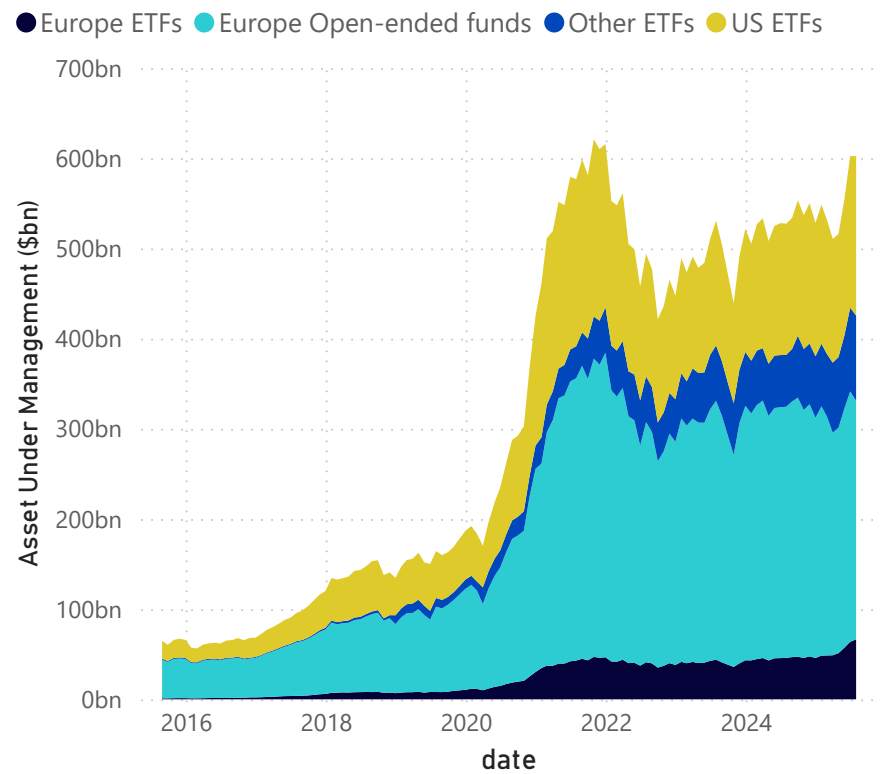
Thematic universe overview (continued)

+ Joint AUM in global thematic ETFs and open-ended funds in Europe have crossed \$600B in July notching closer to the record high registered back in October 2021 just before the global value rotation impacted thematic assets both due to performance and, as a result, flows. US ETFs are currently representing the largest thematic ETF market globally with \$176.7B. In turn, AUM in European ETFs stands at \$66.4B as of 31 July 2025.

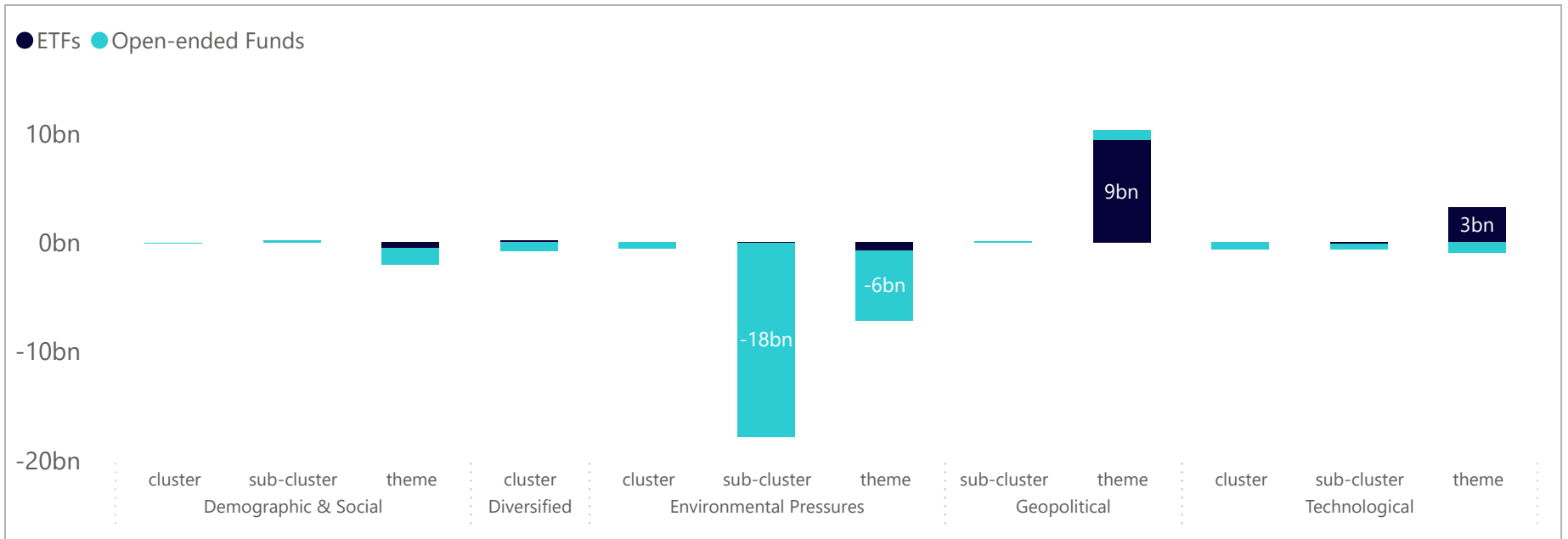
+ Year-to-date (YTD), net flows concentrated within ETFs and in theme-level strategies benefitting from geopolitical and AI tailwinds. The surging interest in European Defence strategies resulted in more than \$10B in flows in the "Geopolitical Shifts" cluster. "Rise of Tension" is battling it out with "Sustainable Resource Management" to become the fifth largest in Europe by AuM. At the same time, having attracted \$2.2B in YTD flows, "Artificial Intelligence & Big Data" is the leader being just \$1B short from crossing \$30B AuM mark.

+ AuM across clusters is showing clear dominance of theme-level strategies, with ETFs almost exclusively focusing on themes rather than strategies allocating across several themes either within a cluster or sub-cluster. Notably, AuM in the "Geopolitical Shifts" cluster is almost entirely concentrated in ETFs.

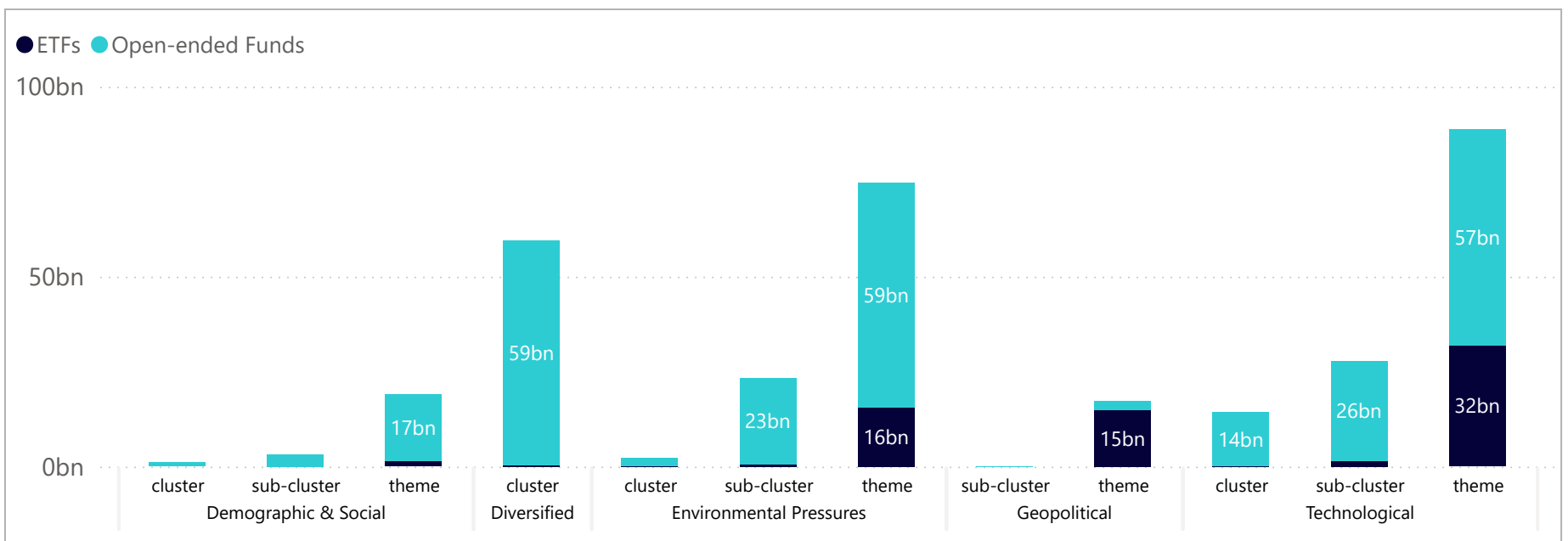
AuM in Thematics by region (Last 10Y)



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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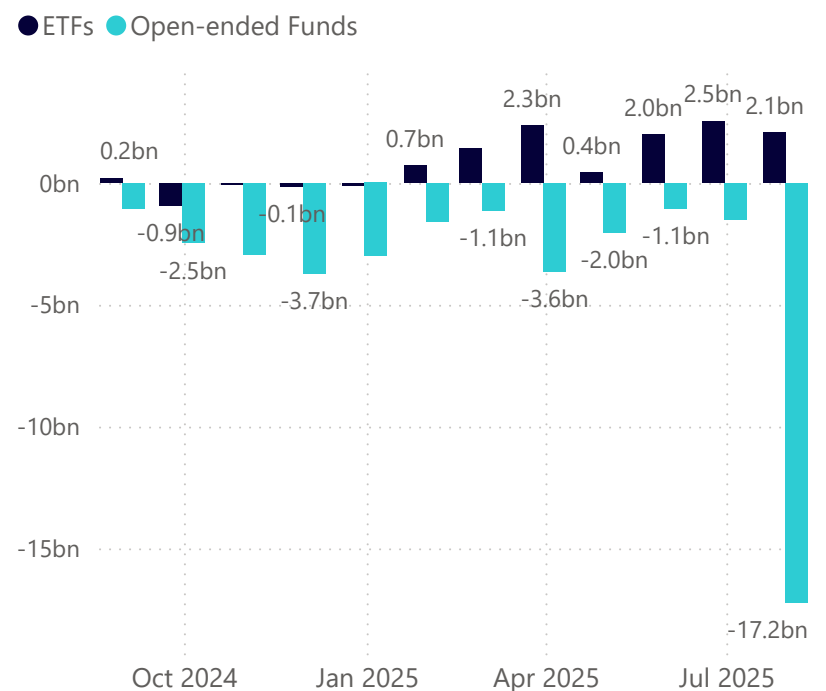
Thematic flows in Europe

+ Currently, investors are showing stronger interest in thematic strategies offered by ETFs than open-ended funds as evidenced by the top and bottom 5 themes by flows. Monthly flows are also supporting this thesis with positive flows into ETFs and continued redemptions from open-ended funds. Excluding the effect from one open-ended fund with \$15.1B redemption in July, open-ended funds in total saw -\$2.1B of outflows throughout July in a downward trend from May.

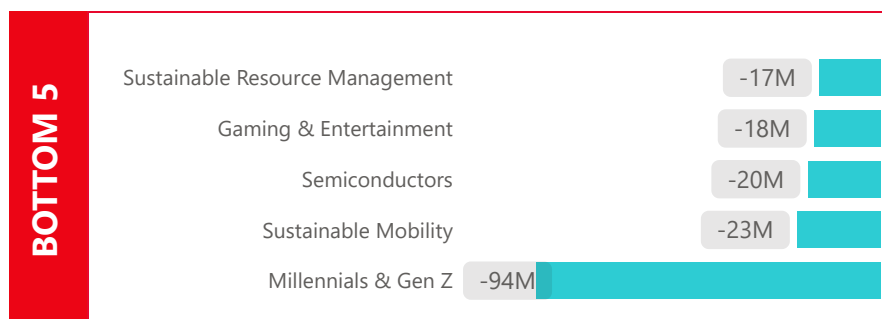
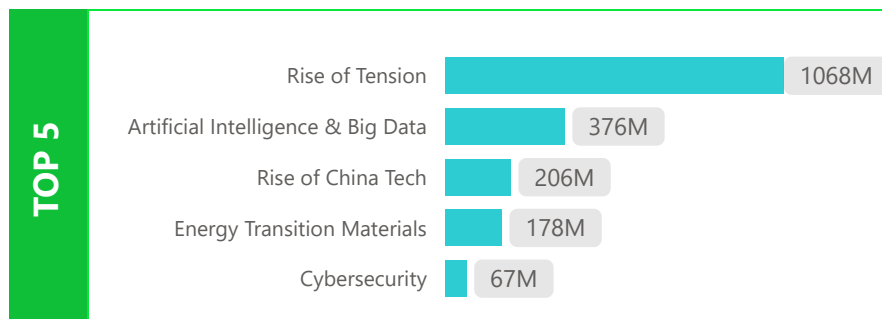
+ Two themes were common in the top 5 themes by flows within ETFs and open-ended funds - "Rise of Tension" and "Artificial Intelligence". Notably, ETFs generally saw larger allocations within all top 5 themes by flows into open-ended funds. Outside of "Rise of Tension" open-ended funds failed to collect more than \$50M per theme. "AI & Big Data", "Rise of China Tech", "Energy Transition Materials" and "Cybersecurity" attracted in total around \$0.9B in Q2 alone, with positive flows mostly being attributed to ETFs. The same themes and flows into ETFs specifically dominated year-to-date.

+ In July, the bottom 5 themes by flows in open-ended funds all saw redemptions of over \$100M with "Sustainable Energy Production" (-\$341M) losing the most. Within ETFs outflows were spread across different themes with only "Sustainable Resource Management" being common in the bottom 5.

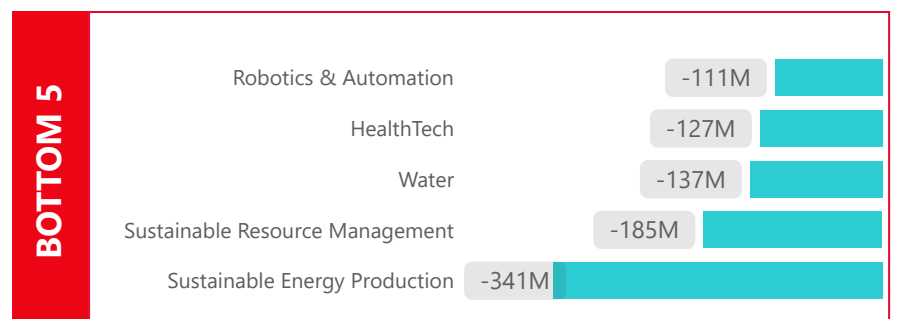
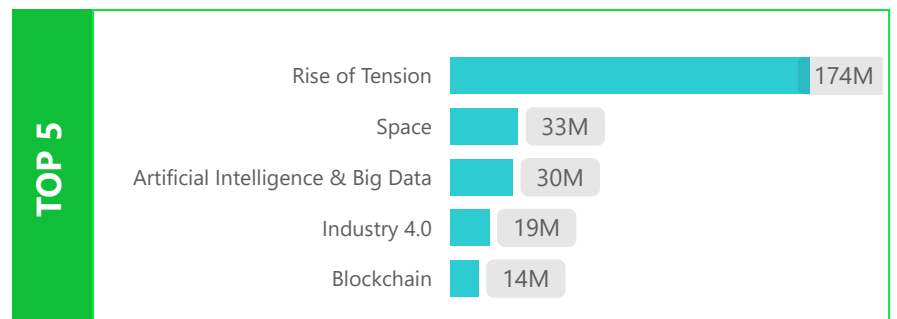
Month-on-month thematic flows



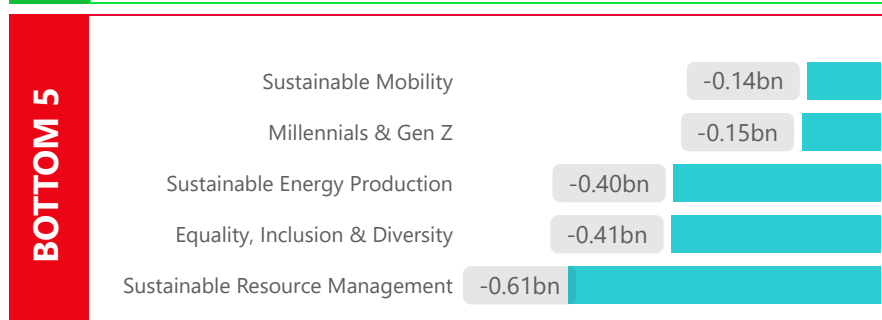
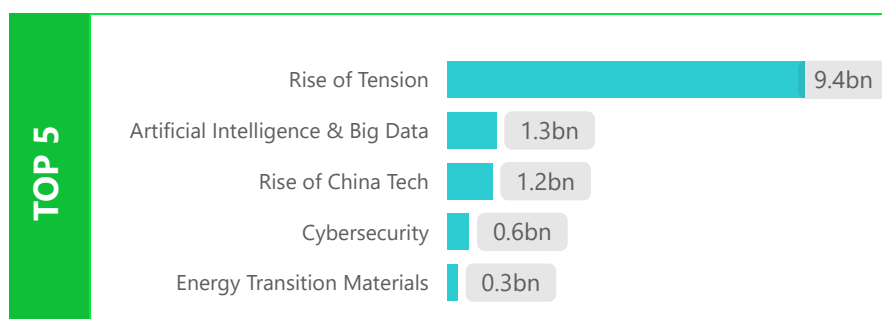
July Top/Bottom flows in Europe ETFs



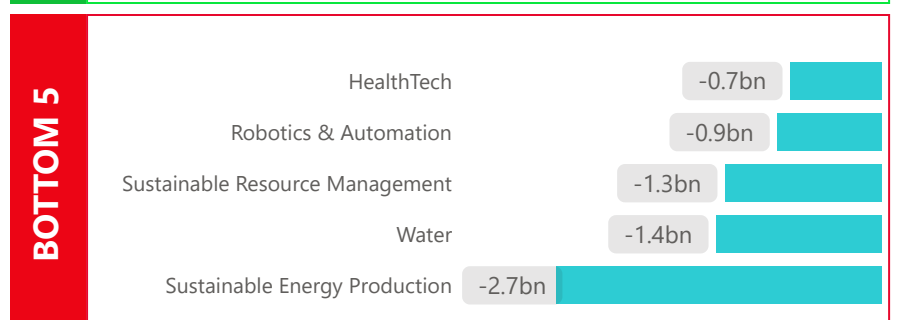
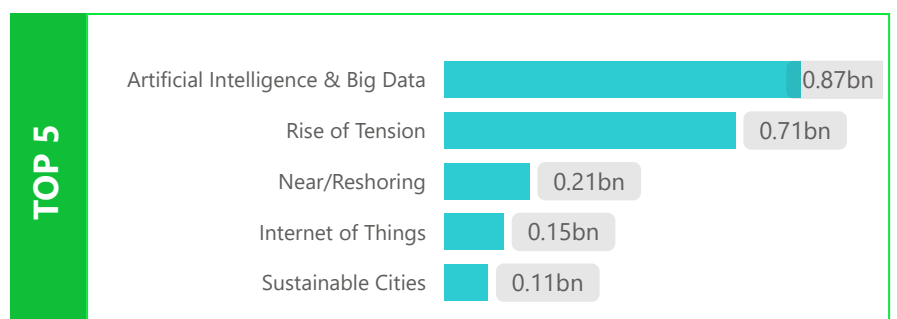
July Top/Bottom flows in Mutual Funds



YTD Top/Bottom flows in Europe ETFs



YTD Top/Bottom flows in Mutual Funds



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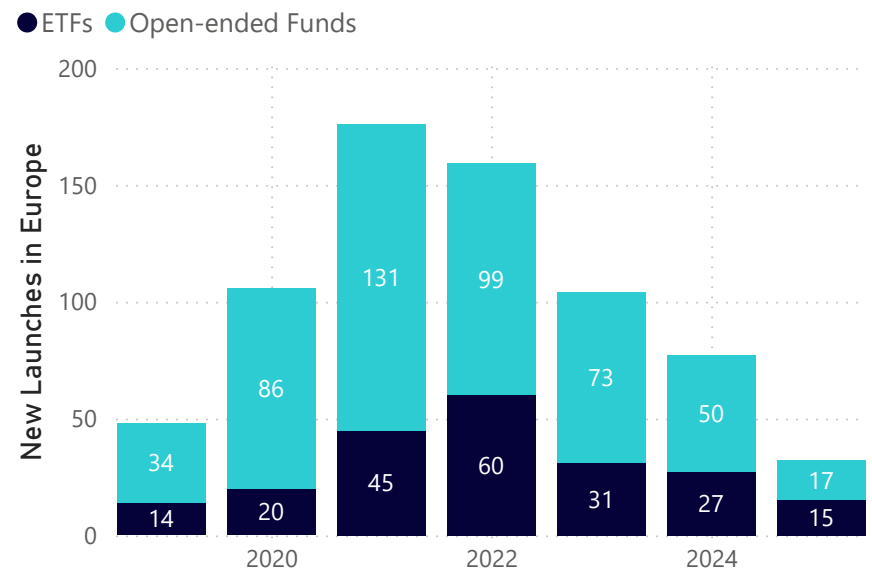
Thematic performance and launches in Europe

+ Two themes in the top 5 by performance were green strategies that were poised to suffer from the regulatory developments under the Trump administration. Easing China trade tensions, not as bad impact from tax credits phase-out for renewables and especially hydrogen, as well as some company specific momentum supported both themes in July. At the same time, "Blockchain" continued its June momentum and climbed up higher in July. benefitting from improving regulatory clarity, increased institutional adoption, and a revived IPO market.

+ Year-to-date, all top 5 featured themes retained their leading positions from June. "Rise of Tension" has been boosted by the rise of European defence stocks. "Nuclear" has been supported by continued demand from data centres and a series of President Trump's Executive Orders aimed at quadrupling nuclear energy capacity in the US by 2050. At the same time, "Space" benefitted from rising defence-related demand, advancements in reusable launch technology, and supportive European policy initiatives.

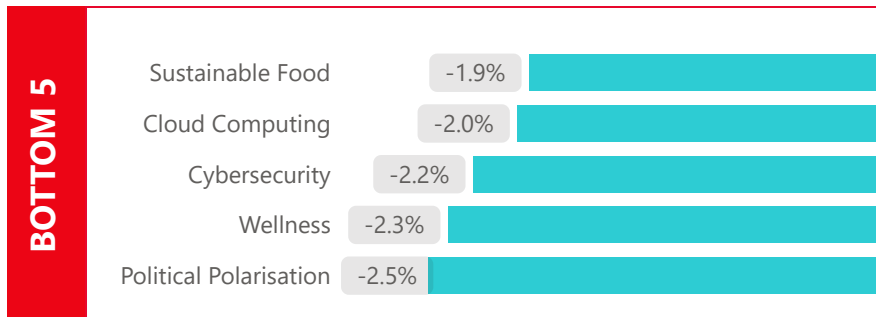
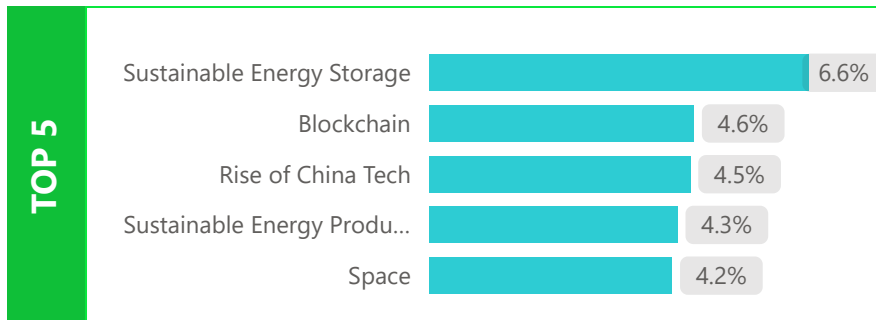
+ "Cybersecurity" and "Cloud Computing" suffered in July from increasing macro uncertainty and signals of slowing IT spending. In turn, "Healthcare" related themes dominated the year-to-date underperformance.

Yearly thematic launches in Europe*

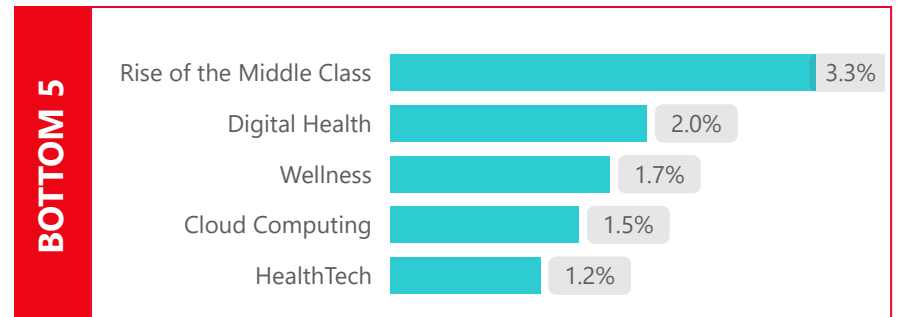
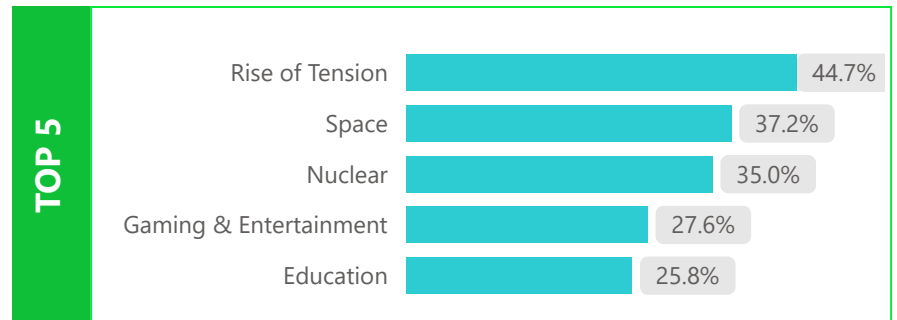


* New launches are updated quarterly

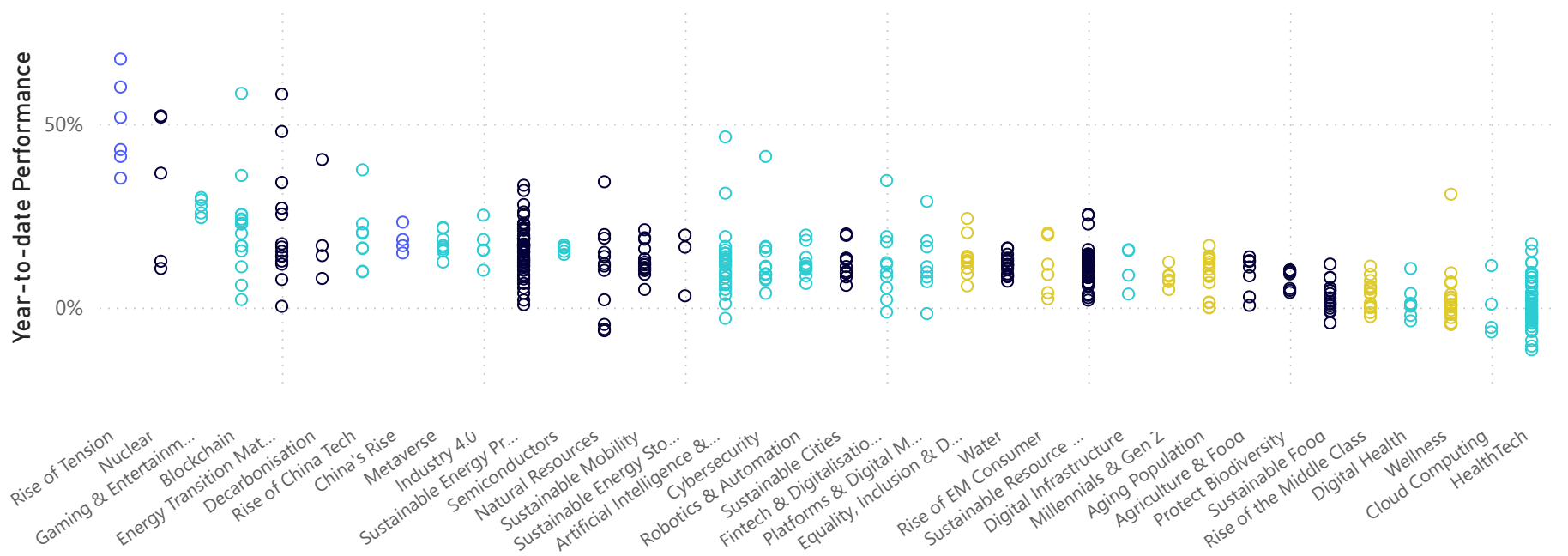
Top 5/Bottom 5 by performance in July



Top 5/Bottom 5 by YTD performance

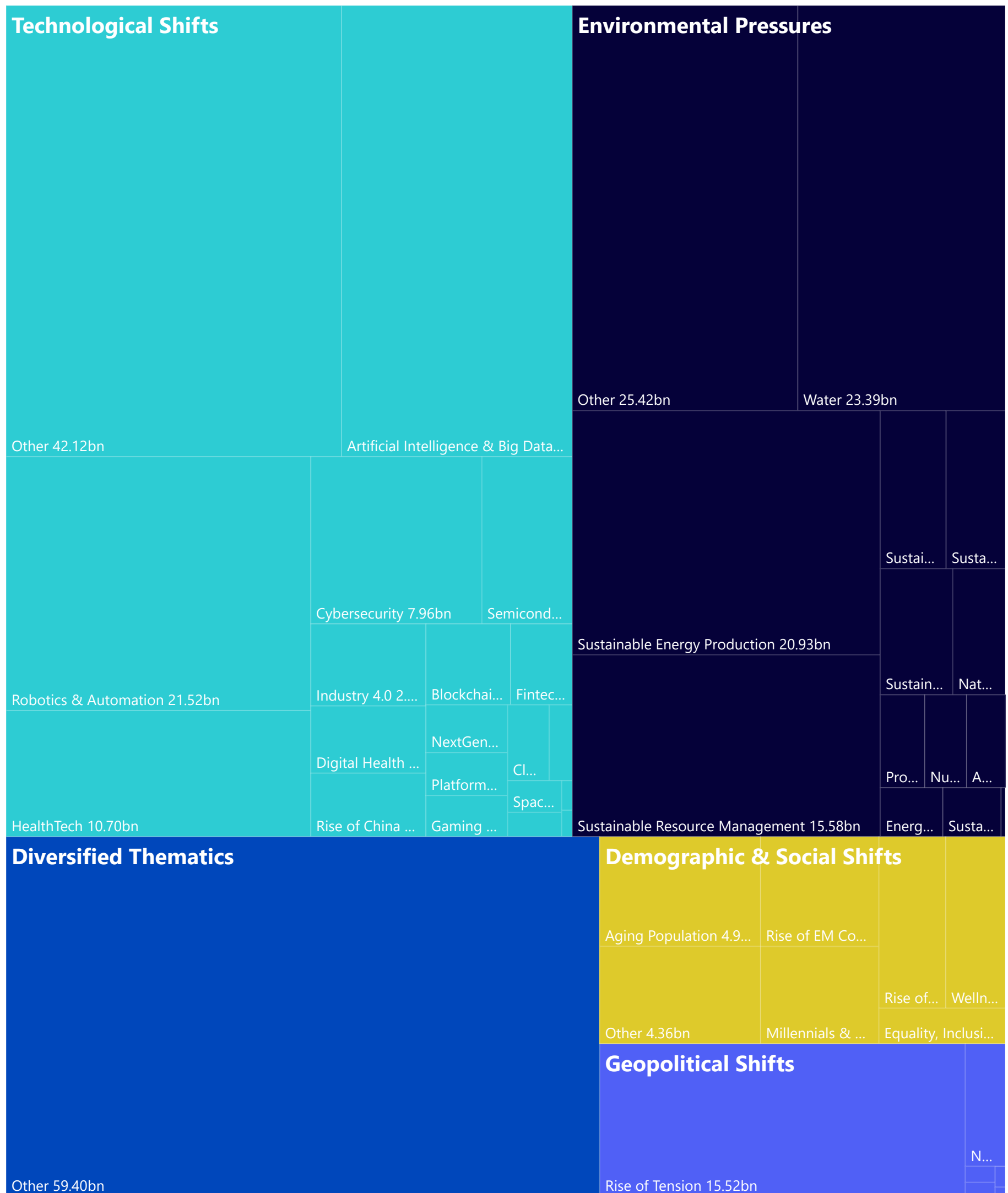


Dispersion of YTD performance of all ETFs and mutual funds by themes in Europe



Source: WisdomTree, Morningstar, Bloomberg. All data as of 31/07/2025 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)



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

Cluster	Sub-Cluster	AuM (\$)	Flows Last Month (\$)	Flows YTD (\$)
Technological Shifts		14,281.42M	-96.66M	-657.27M
Technological Shifts	Disruptive Technologies	17,732.01M	-232.37M	-755.25M
Technological Shifts	HyperConnectivity & Digitalisation	10,101.92M	241.67M	143.70M
Geopolitical Shifts	Multipolarity	115.13M	44.78M	114.06M
Environmental Pressures		2,136.91M	-43.49M	-529.30M
Environmental Pressures	Climate Change & Sustainability	23,182.39M	-15,644.91M	-17,819.89M
Environmental Pressures	Limited Resources	99.27M	0.34M	2.48M
Diversified Thematics		59,404.84M	-81.79M	-679.60M
Demographic & Social Shifts		1,094.97M	-25.97M	-77.04M
Demographic & Social Shifts	Demographic Shifts	3,269.14M	15.00M	165.58M

Appendix - Theme focused ETFs and Open-ended funds

Theme Name	AuM (\$)	Flows Last Month (\$)	Flows YTD (\$)	Performance Last Month	Performance YTD
Sustainable Energy Storage	793.47M	-11.59M	-122.70M	6.6%	12.3%
Blockchain	1,905.58M	32.90M	176.33M	4.6%	22.1%
Rise of China Tech	2,034.80M	206.65M	1,188.43M	4.5%	19.1%
Sustainable Energy Production	20,932.47M	-315.31M	-3,058.27M	4.3%	16.4%
Space	477.68M	96.38M	239.09M	4.2%	37.2%
Energy Transition Materials	853.72M	175.11M	249.40M	3.4%	22.0%
Decarbonisation	56.94M	-1.80M	-2.72M	3.3%	19.6%
Robotics & Automation	21,521.78M	-66.54M	-873.88M	3.3%	12.7%
Industry 4.0	2,628.26M	18.93M	82.89M	3.3%	17.3%
Sustainable Mobility	2,545.74M	-107.93M	-515.74M	3.0%	13.3%
Artificial Intelligence & Big Data	28,969.67M	406.59M	2,171.85M	3.0%	12.9%
Metaverse	484.01M	0.70M	-55.40M	2.7%	18.1%
China's Rise	132.70M	-33.36M	-32.79M	2.6%	18.4%
Nuclear	1,082.23M	42.78M	252.14M	2.4%	35.0%
Near/Reshoring	1,363.37M	-0.56M	222.48M	2.1%	9.3%
NextGen Communications	1,084.83M	-31.89M	-198.27M	1.9%	12.5%
HealthTech	10,702.28M	-127.68M	-861.35M	1.5%	1.2%
Natural Resources	1,845.01M	43.98M	-3.67M	1.4%	15.2%
Education			-54.84M	1.4%	25.8%
Global Logistics	25.69M	0.16M	1.32M	1.3%	8.3%
Semiconductors	4,204.60M	-19.82M	5.79M	1.3%	15.8%
Internet of Things	366.16M	-11.62M	145.62M	1.0%	8.0%
Fintech & Digitalisation of Finance	1,389.17M	-8.50M	-184.91M	0.6%	12.3%
Quantum Computing	87.52M	53.36M	87.06M	0.6%	6.2%
Sustainable Cities	2,898.21M	37.61M	54.91M	0.4%	12.3%
Platforms & Digital Markets	974.57M	-11.17M	-87.05M	0.3%	11.8%
Sustainable Resource Management	15,584.86M	-202.01M	-1,885.27M	0.2%	11.1%
Rise of EM Consumer	3,612.95M	-99.59M	-303.00M	0.2%	11.2%
Digital Infrastructure	78.09M	6.97M	11.35M	-0.1%	11.0%
Millennials & Gen Z	3,201.62M	-146.05M	-490.99M	-0.2%	10.2%
Water	23,388.93M	-128.83M	-1,334.62M	-0.4%	11.7%
Protect Biodiversity	1,152.04M	-3.41M	-3.50M	-0.4%	7.6%
Equality, Inclusion & Diversity	1,247.89M	-39.05M	-507.41M	-0.6%	11.8%
Gaming & Entertainment	936.51M	-18.07M	76.00M	-0.7%	27.6%
Rise of Tension	15,522.23M	1,242.44M	10,121.04M	-1.2%	44.7%
Digital Health	2,156.37M	-37.45M	-221.24M	-1.2%	2.0%
Rise of the Middle Class	3,195.73M	-98.72M	-341.77M	-1.4%	3.3%
Agriculture & Food	1,000.26M	-9.12M	-111.51M	-1.7%	8.9%
Aging Population	4,907.69M	-70.88M	-74.28M	-1.7%	9.1%
Sustainable Food	2,602.79M	-79.21M	-650.17M	-1.9%	3.8%
Cloud Computing	880.72M	5.33M	-11.53M	-2.0%	1.5%
Cybersecurity	7,958.60M	52.30M	590.04M	-2.2%	12.6%
Wellness	2,840.29M	-43.43M	-238.23M	-2.3%	1.7%
Political Polarisation	58.89M	0.03M	0.05M	-2.5%	13.5%

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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 30/06/2025

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