

# WisdomTree European thematic monthly update

June 2025

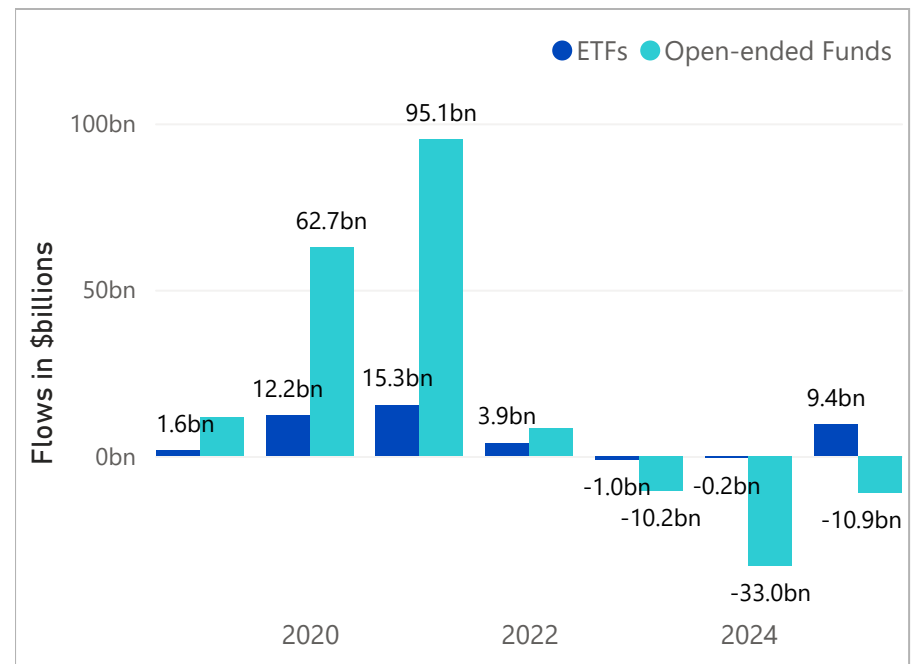
## Thematic universe overview

+ AUM in Europe-domiciled thematic ETFs and open-ended funds rose to \$341.4 billion at the end of June, driven mainly by strong market performance. ETF assets increased significantly, from \$57.2 billion to \$63.8 billion, while thematic open-ended fund assets also grew from \$269.7 billion to \$277.6 billion. The ETF share of total thematic assets reached a record-high 18.7%.

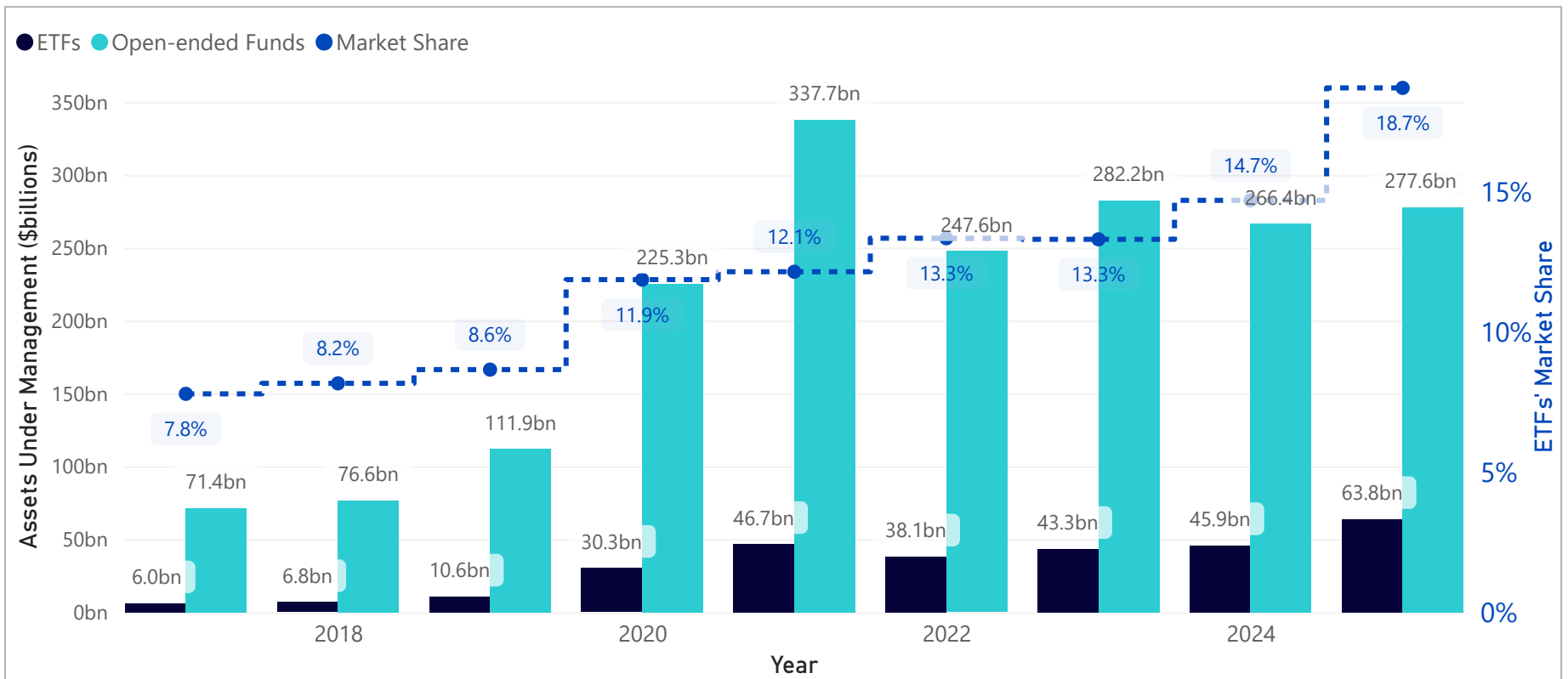
+ Total flows into thematic funds remained positive at \$1.1 billion, reflecting \$2.5 billion of inflows into ETFs, partially offset by \$1.4 billion of outflows from open-ended funds. Year-to-date, thematic ETFs have consistently attracted inflows each month, accumulating \$9.4 billion in total. In contrast, open-ended funds recorded monthly outflows totalling \$10.9 billion year-to-date, underscoring the ongoing divergence between the two fund types.

+ At the theme level, the "Rise of Tension" theme (primarily defence-focused funds) attracted substantial inflows of approximately \$2.0 billion in June, increasing its year-to-date inflows to \$8.9 billion. Commitments by NATO members during the June summit to raise core defence spending to 3.5% significantly boosted this theme. Conversely, "Sustainable Energy Production" again experienced the largest outflows, losing \$275 million during June and accumulating substantial total outflows of \$7.7 billion over the past 12 months.

## Recent yearly flows in Europe



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



Source: WisdomTree, Morningstar, Bloomberg. All data as of 30/06/2025 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.**

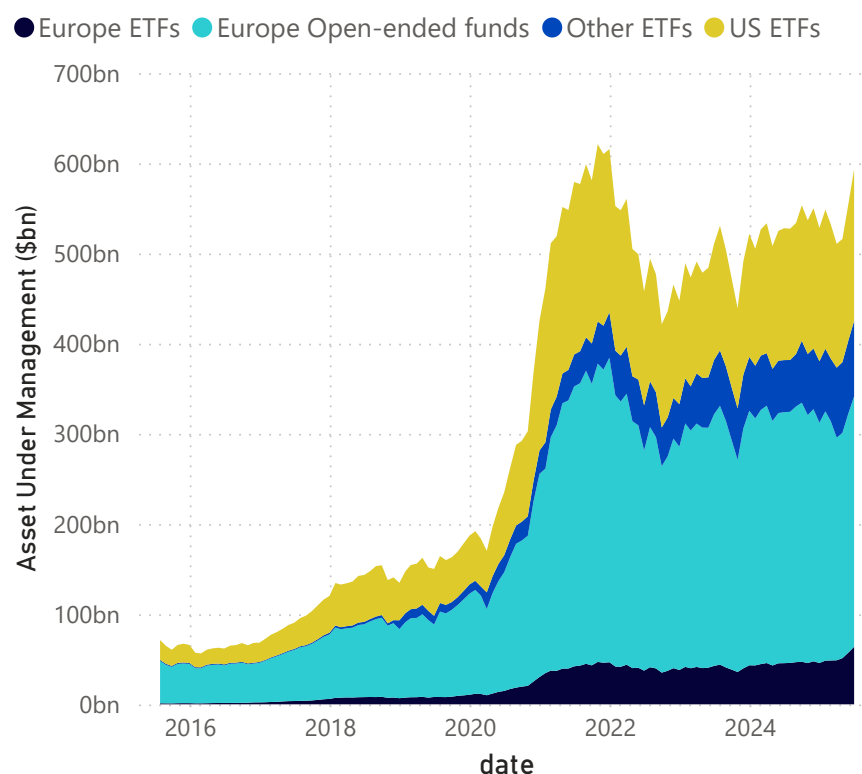
## Thematic universe overview (continued)

+ Thematic funds delivered strong performance in June: all themes generated positive returns, and 26 outperformed the MSCI ACWI (+4.5%). Market sentiment improved notably as US–China trade discussions in London helped ease geopolitical tensions. The "Space" theme led performance, delivering a 17.4% return driven primarily by developments in low-Earth orbit (LEO) satellite telecom companies. "Nuclear" closely followed, returning 17.3%, benefiting from closer integration of nuclear energy solutions with data centres and US executive orders aimed at expanding nuclear energy capacity. The weakest performing theme was "Sustainable Food," though it still delivered a modest gain of 0.8%.

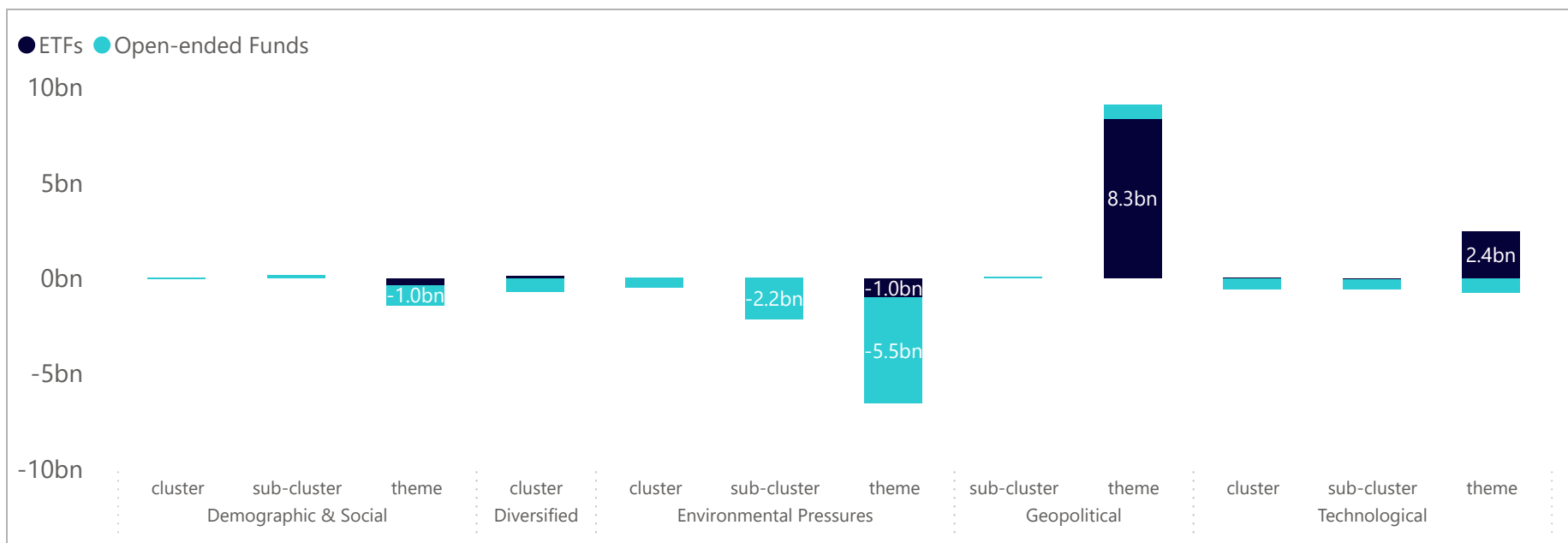
+ At the cluster level, "Environmental Pressures" continued to record the largest outflows, shedding \$1.0 billion in June due to persistent withdrawals from green-themed investments, resulting in total outflows of \$20.4 billion over the past 12 months. In contrast, the "Geopolitical Shifts" cluster maintained strong momentum, drawing significant inflows of \$2.0 billion—predominantly driven by the "Rise of Tension" theme—and bringing its year-to-date inflows to \$9.2 billion.

+ Globally, combined AUM in thematic ETFs and European thematic open-ended funds reached \$593.2 billion in June, rising from \$558.6 billion in May. The "Technological Shifts" cluster remained the largest globally, managing an AUM of \$307.7 billion.

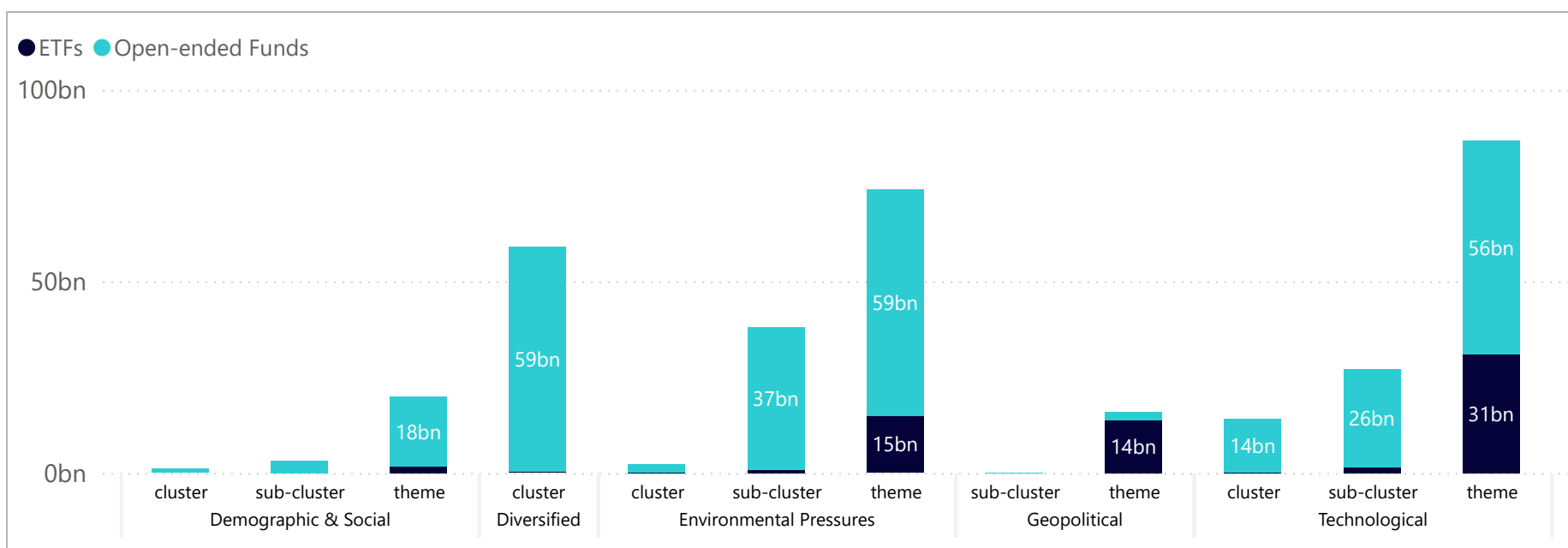
## AuM in Thematics by region (Last 10Y)



## 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 30/06/2025 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.**

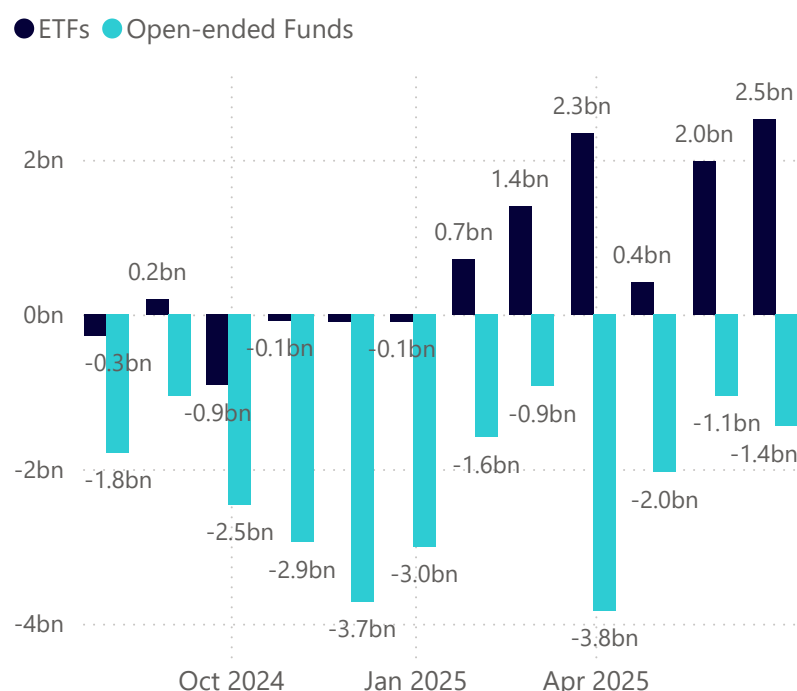
## Thematic flows in Europe

+ European thematic ETFs and open-ended funds recorded combined net inflows of \$1.1 billion in June, reflecting strong inflows of \$2.5 billion into ETFs, offset by \$1.4 billion of outflows from open-ended funds. Over the past 12 months, ETFs have attracted cumulative inflows of \$8.1 billion, while open-ended funds have experienced total outflows of \$25.8 billion.

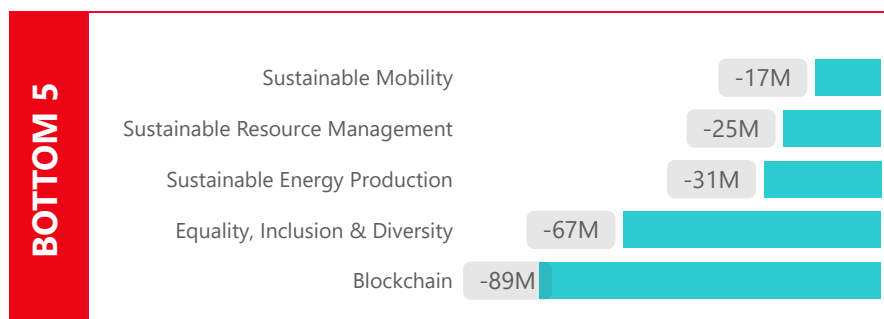
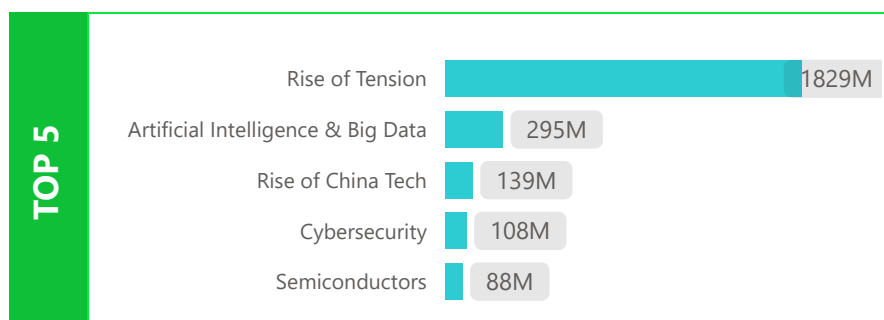
+European defence remained a focal point in June, driving the "Rise of Tension" theme to attract the highest inflows for both June and year-to-date. Increased geopolitical tensions and commitments to defence spending during the NATO summit significantly supported this theme. Technology themes also resonated with investors: "AI & Big Data," "Cybersecurity," and "Semiconductors" were among the top five themes by inflows. The "China Tech" theme, boosted by positive developments from US-China trade negotiations, also joined the top five in June.

+Conversely, green themes continued to face headwinds: "Sustainable Energy Production" and "Sustainable Resource Management" recorded the largest outflows for June. Year-to-date, these two themes collectively experienced outflows of \$4.4 billion. "HealthTech" and "Robotics & Automation" also ranked among the themes with the most significant outflows. These four themes represent the bottom group in terms of flows, both for June and the year-to-date period.

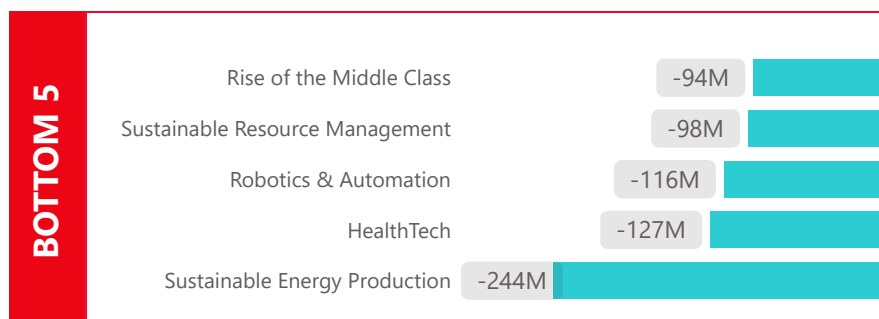
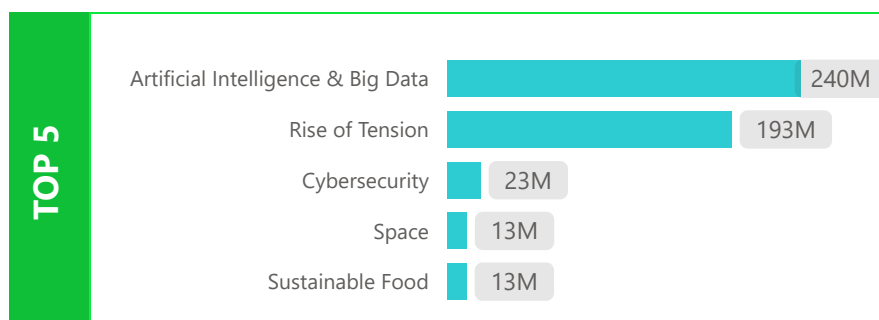
## Month-on-month thematic flows



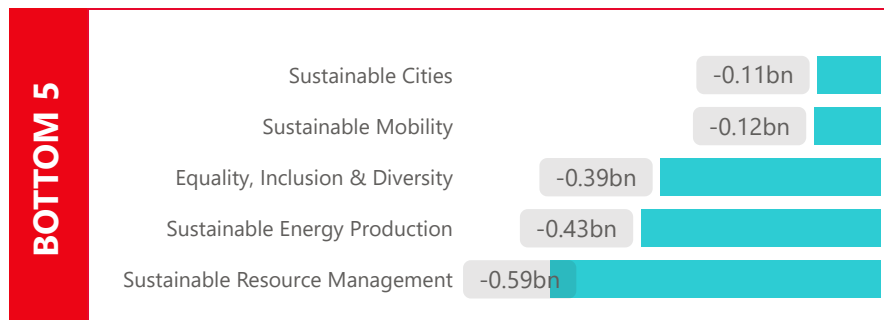
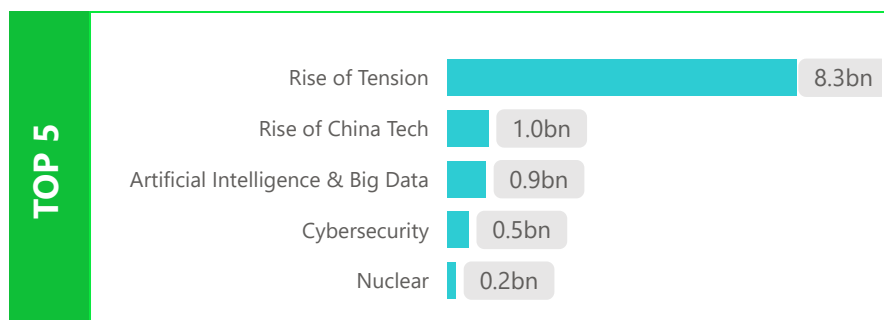
## June Top/Bottom flows in Europe ETFs



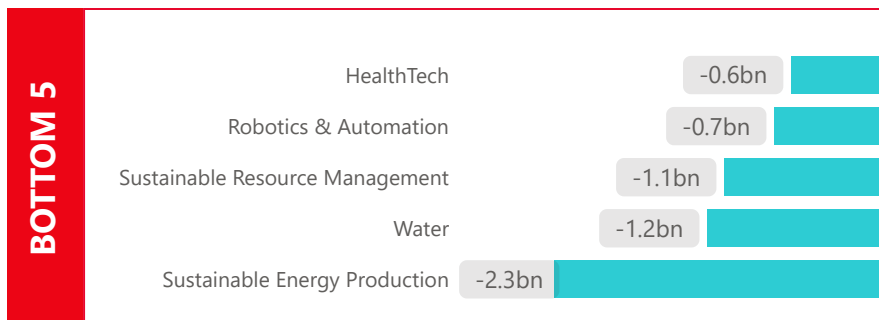
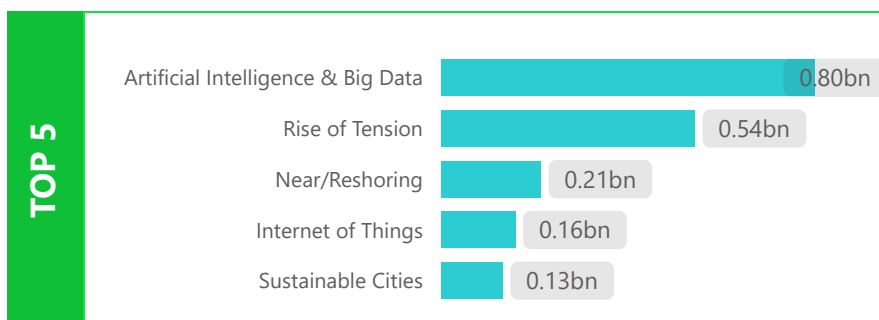
## June Top/Bottom flows in Mutual Funds



## YTD Top/Bottom flows in Europe ETFs



## YTD Top/Bottom flows in Mutual Funds



Source: WisdomTree, Morningstar, Bloomberg. All data as of 30/06/2025 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

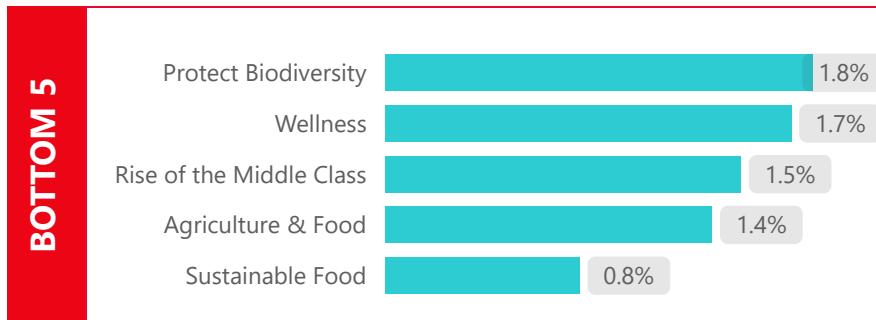
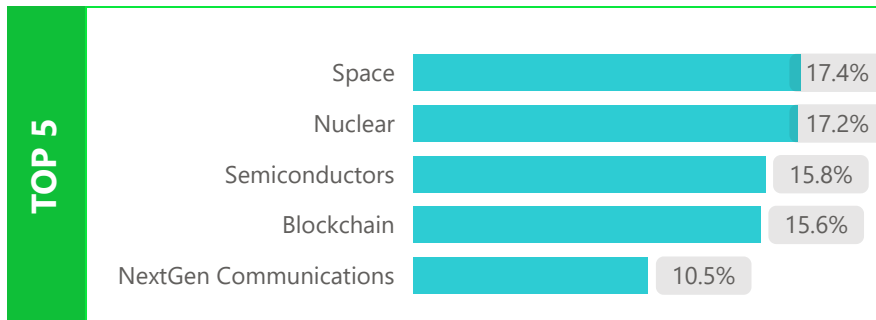
+ Thematic funds demonstrated strong performance in June, with every theme posting positive returns and 26 outperforming the MSCI ACWI (+4.5%).

+ Technology-relat

ed themes dominated the top of the performance leaderboard, with all five leading themes belonging to the "Technological Shifts" cluster. "Space" was the top-performing theme, gaining 17.4%, driven primarily by advancements in low-Earth orbit (LEO) satellite telecom technologies. The development of direct-to-device connectivity significantly boosted market optimism regarding the future of space-based cellular broadband networks. "Nuclear" was the second-best performing theme, benefiting from supportive US policy initiatives aimed at expanding nuclear energy capabilities and closer integration with data centres, including innovations like small modular reactors (SMRs). "Blockchain" also performed strongly, supported by regulatory developments regarding stablecoins—the GENIUS Act passed by the US Senate in June (pending approval from the House) notably boosted market sentiment toward stablecoin-related stocks.

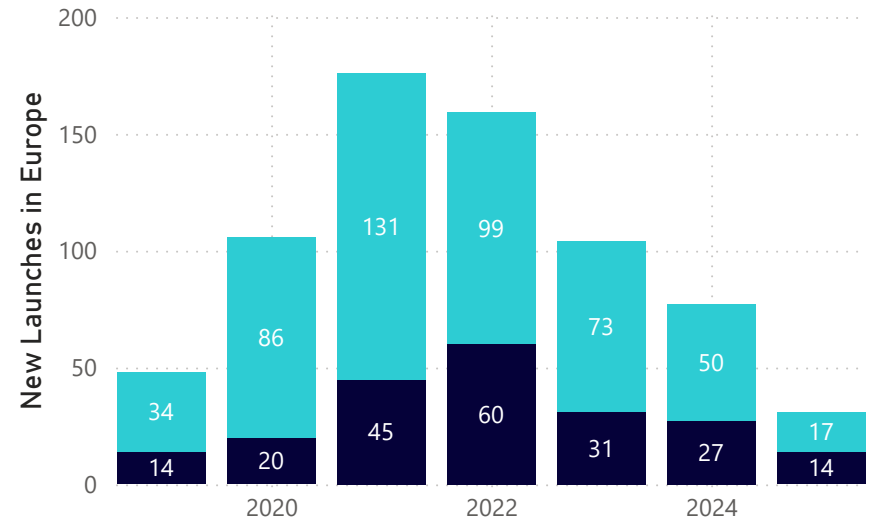
+ Year-to-date, 14 thematic ETFs and 17 thematic open-ended funds have been launched. Although this launch pace is slower compared to 2024, it remains comparable—and slightly exceeds—the pace observed in 2019.

### Top 5/Bottom 5 by performance in June



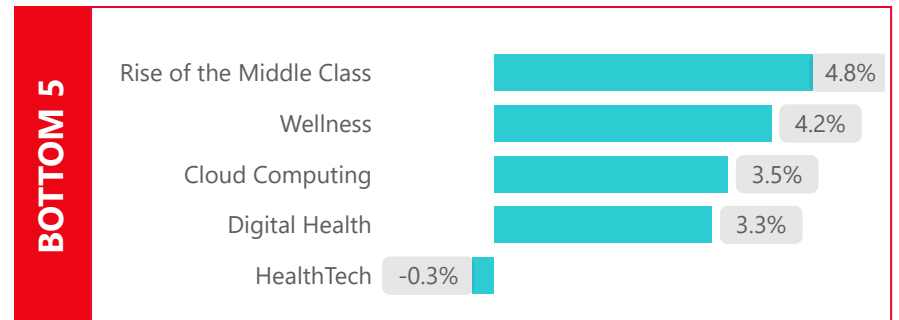
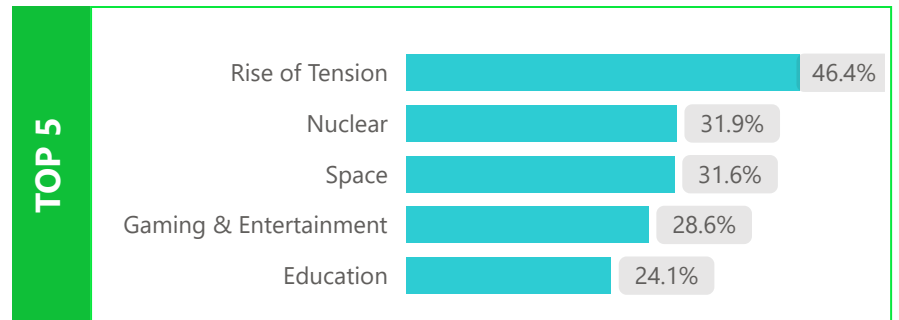
## Yearly thematic launches in Europe\*

● ETFs ● Open-ended Funds

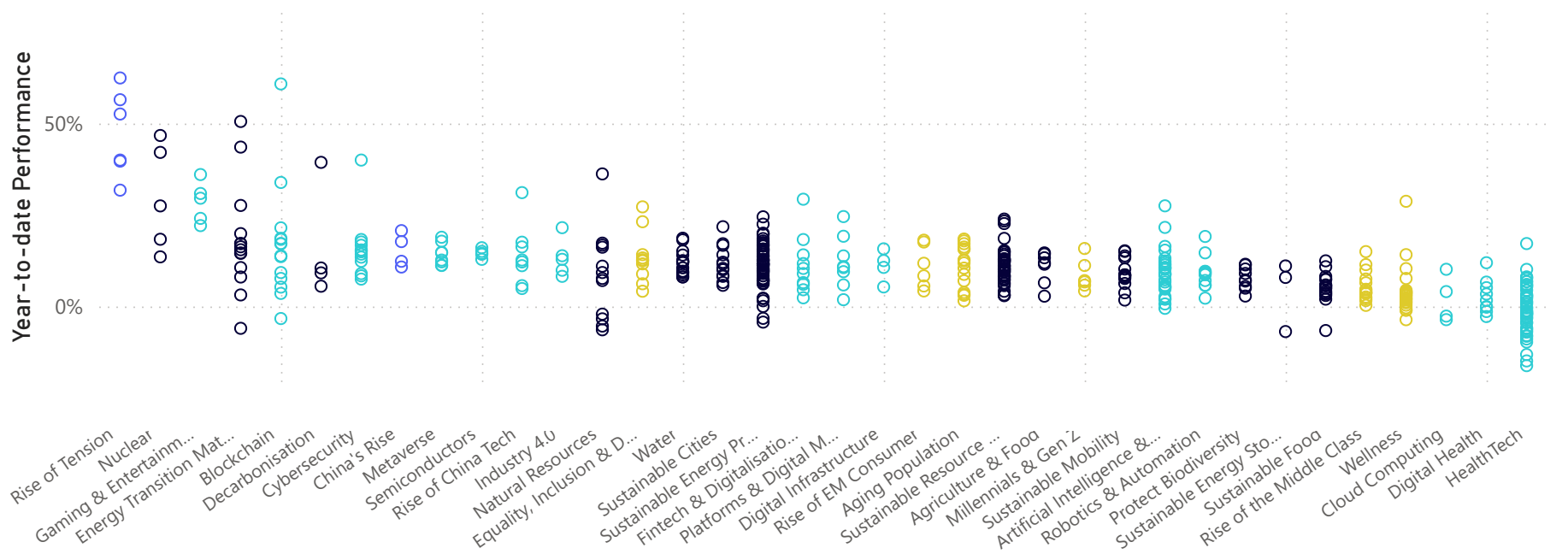


\* New launches are updated quarterly

### Top 5/Bottom 5 by YTD performance

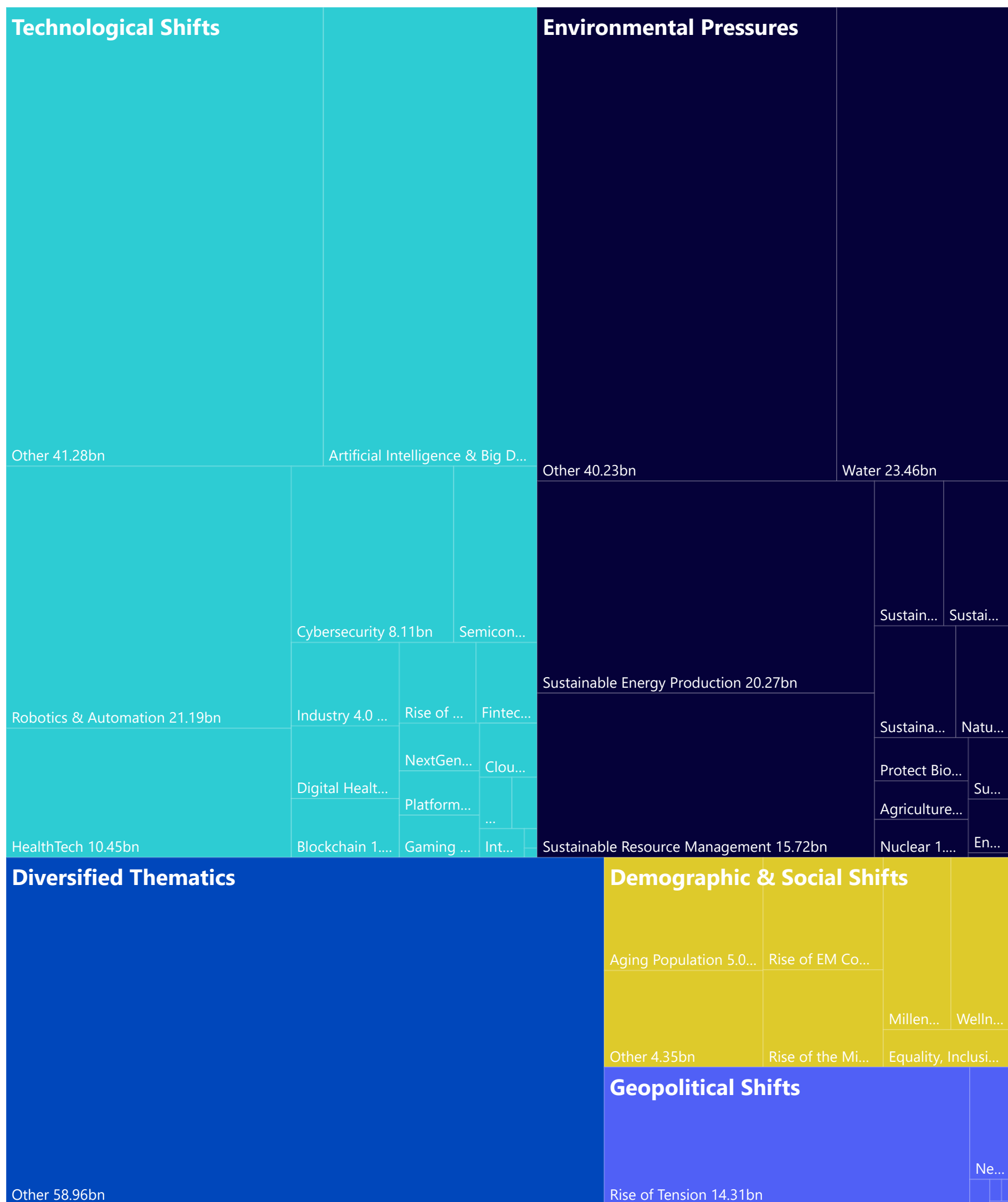


## Dispersion of YTD performance of all ETFs and mutual funds by themes in Europe



Source: WisdomTree, Morningstar, Bloomberg. All data as of 30/06/2025 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 30/06/2025 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		14,155.37M	-171.56M	-560.62M
Technological Shifts	Disruptive Technologies	17,334.75M	-128.79M	-522.90M
Technological Shifts	HyperConnectivity & Digitalisation	9,785.68M	30.90M	-93.74M
Geopolitical Shifts	Multipolarity	72.76M	1.18M	69.30M
Environmental Pressures		2,302.23M	-168.49M	-485.81M
Environmental Pressures	Climate Change & Sustainability	37,826.10M	-344.25M	-2,175.76M
Environmental Pressures	Limited Resources	97.22M	-0.07M	2.14M
Diversified Thematics		58,959.80M	-61.18M	-597.85M
Demographic & Social Shifts		1,115.41M	-0.33M	-51.07M
Demographic & Social Shifts	Demographic Shifts	3,234.13M	10.05M	150.58M

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

Theme Name	AuM (\$)	Flows Last Month (\$)	Flows YTD (\$)	Performance Last Month	Performance YTD
Rise of Tension	14,314.69M	2,021.95M	8,877.61M	5.1%	46.4%
Artificial Intelligence & Big Data	27,822.14M	534.95M	1,718.19M	8.4%	9.6%
Rise of China Tech	1,753.76M	139.66M	981.81M	5.6%	14.0%
Cybersecurity	8,113.43M	131.15M	521.93M	5.6%	15.1%
Semiconductors	4,173.61M	87.72M	25.61M	15.8%	14.3%
Aging Population	5,089.39M	36.85M	-2.28M	2.4%	10.9%
Nuclear	1,013.67M	32.86M	209.37M	17.2%	31.9%
Gaming & Entertainment	964.67M	32.50M	94.08M	9.0%	28.6%
Space	368.53M	29.81M	142.71M	17.4%	31.6%
Quantum Computing	33.95M	29.71M	33.69M	5.6%	5.6%
Sustainable Cities	2,841.52M	18.58M	17.30M	4.8%	11.9%
Agriculture & Food	1,023.07M	15.56M	-102.39M	1.4%	10.7%
Energy Transition Materials	654.05M	10.65M	74.29M	9.3%	18.0%
Near/Reshoring	1,323.23M	10.04M	223.05M	5.7%	7.1%
Sustainable Food	2,774.92M	9.68M	-570.95M	0.8%	5.8%
Industry 4.0	2,552.81M	9.34M	63.97M	6.4%	13.5%
Digital Infrastructure	70.81M	8.35M	4.38M	5.3%	11.2%
Protect Biodiversity	1,152.27M	7.35M	-0.04M	1.8%	8.1%
China's Rise	147.65M	4.04M	0.57M	4.1%	15.4%
Education			-54.67M	10.3%	24.1%
Political Polarisation	60.35M	-0.01M	0.03M	7.4%	16.4%
Decarbonisation	57.26M	-0.23M	-0.92M	5.8%	15.8%
Global Logistics	25.19M	-0.66M	1.16M	3.8%	6.9%
Millennials & Gen Z	3,304.00M	-1.69M	-344.95M	4.2%	10.4%
Internet of Things	366.65M	-6.18M	157.24M	6.3%	7.0%
Platforms & Digital Markets	1,006.16M	-6.82M	-75.88M	4.8%	11.5%
Metaverse	470.90M	-8.74M	-56.10M	9.2%	14.9%
Digital Health	2,226.99M	-12.89M	-183.79M	3.7%	3.3%
Fintech & Digitalisation of Finance	1,396.07M	-15.28M	-175.86M	8.8%	11.6%
Cloud Computing	884.09M	-19.16M	-16.86M	2.8%	3.5%
Sustainable Energy Storage	748.80M	-20.52M	-111.11M	8.0%	5.4%
Natural Resources	1,759.33M	-34.91M	-47.65M	3.4%	13.6%
Rise of EM Consumer	3,823.18M	-36.82M	-203.41M	3.6%	11.0%
Water	23,456.11M	-39.29M	-1,205.78M	2.6%	12.1%
Wellness	2,946.39M	-43.74M	-194.79M	1.7%	4.2%
Sustainable Mobility	2,575.14M	-58.12M	-407.96M	5.9%	10.0%
Equality, Inclusion & Diversity	1,360.93M	-69.93M	-399.77M	2.7%	12.4%
NextGen Communications	1,087.29M	-74.71M	-166.38M	10.5%	10.4%
Blockchain	1,803.95M	-84.12M	143.43M	15.6%	16.7%
Rise of the Middle Class	3,312.13M	-94.87M	-241.38M	1.5%	4.8%
HealthTech	10,446.01M	-110.60M	-734.10M	3.8%	-0.3%
Robotics & Automation	21,186.63M	-112.39M	-807.35M	7.5%	9.1%
Sustainable Resource Management	15,722.36M	-123.63M	-1,684.21M	3.2%	10.9%
Sustainable Energy Production	20,267.93M	-275.04M	-2,729.69M	6.7%	11.6%

Source: WisdomTree, Morningstar, Bloomberg. All data as of 30/06/2025 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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