

WisdomTree European thematic monthly update

March 2024

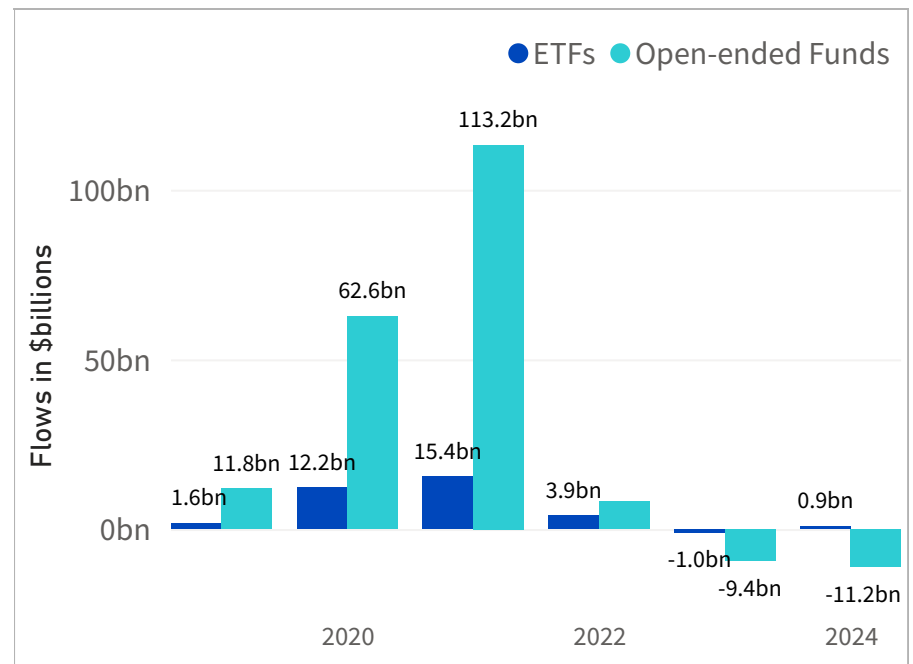
Thematic universe overview

+ AUM in thematic Exchange Traded Funds (“ETFs”) and open-ended funds increased in March to \$334.2 billion driven by strong performance despite outflows of open-ended mutual funds. ETFs’ market share is increasing further to 13.7%, on the back of better flow performance, with a total AUM of \$45.9 billion. AUM in ETFs is now up compared to last year and less than 1 billion off the all-time high in December 2021. This highlights the bifurcation we continue to observe between Thematic ETFs and open-ended funds. ETF performance and flows have been more resilient since mid-2023.

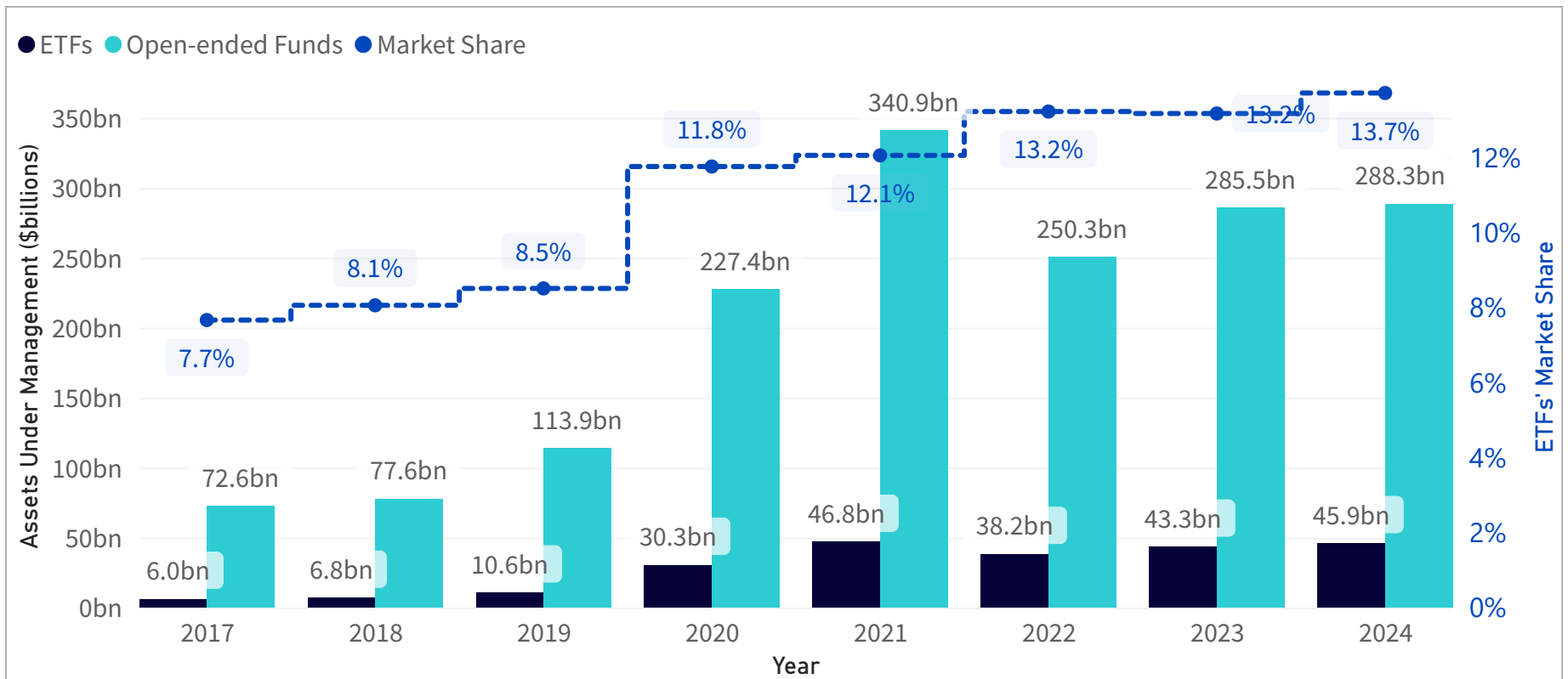
+ Performance in March was mostly positive, with only 2 themes losing ground (“Cloud Computing” and “Cybersecurity”). 14 themes outperformed the MSCI ACWI, with 9 of them falling under “Environmental Pressures” cluster.

+ Flows in March remained negative, with -\$2.9 billion in Europe. However, the bulk of the outflows continue to come from open-ended funds. This is a continuation of the trend observed in 2023, with ETF flows being more resilient. Inflows remain concentrated in the “Technological Shifts” Cluster.

Recent yearly flows in Europe



Europe-domiciled thematic AUM evolution and ETFs’ market share



Source: WisdomTree, Morningstar, Bloomberg. All data as of 31/03/2024 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)

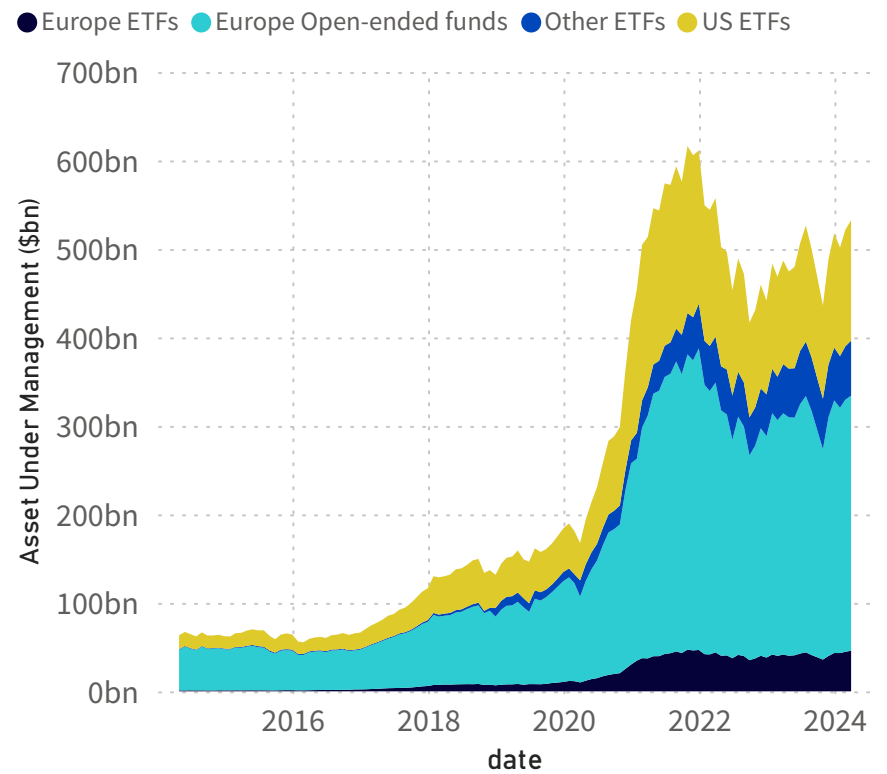
+ Joint AUM in global thematic ETFs and open-ended funds in Europe are up \$14.8 billion Year to Date and reached the highest point over the last 2 years. This increase is generally driven by the performance of equities, since flows globally were negative at -\$7.4 billion Year to Date.

+ Year-to-date, European open-ended funds have suffered outflows across all clusters. ETFs have gathered the most flows in "Technological Shifts" followed by the "Geopolitical Shifts" cluster. Overall, outflows have been strong out of the "Environmental Pressures".

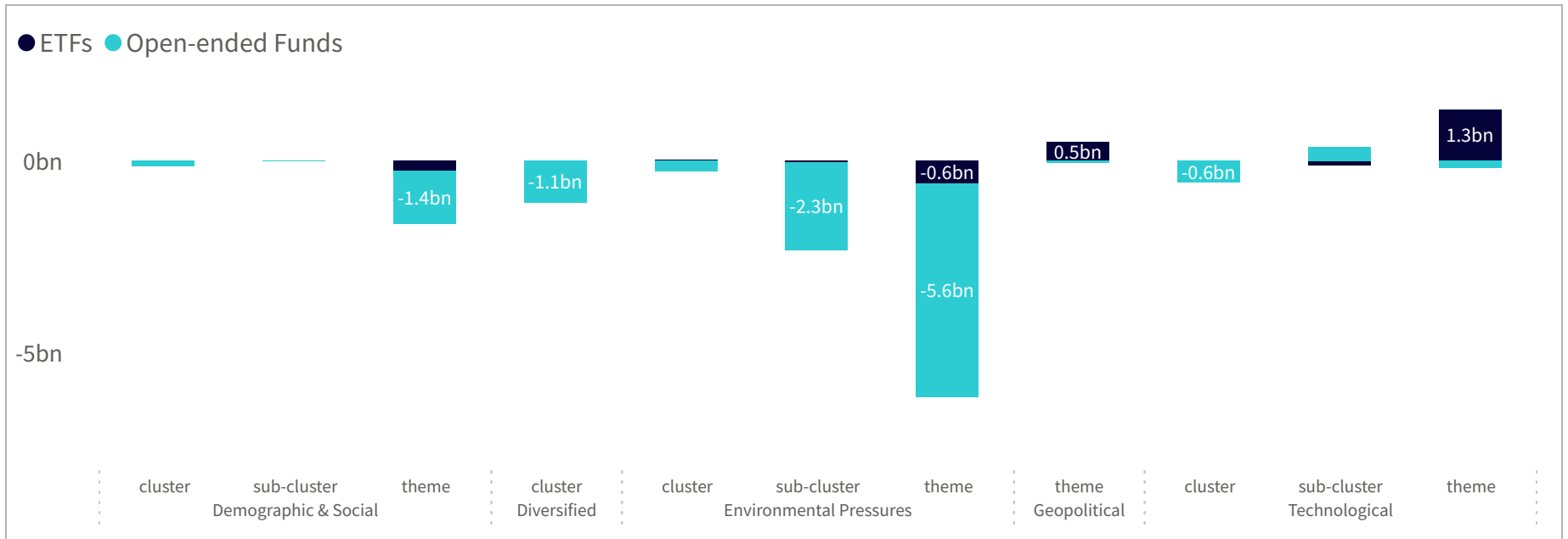
+ Year to Date outflows in "Environmental Pressures" cluster have been mostly driven by redemptions in open-ended funds at the sub-cluster level as well as "Sustainable Energy Production", "Sustainable Resource Management", "Water" and "Sustainable Food" themes.

+ The "Environmental Pressures" cluster remains the biggest cluster in Europe with \$135 billion of assets, followed by "Technological Shifts" with \$116 billion as of the end of March 2024.

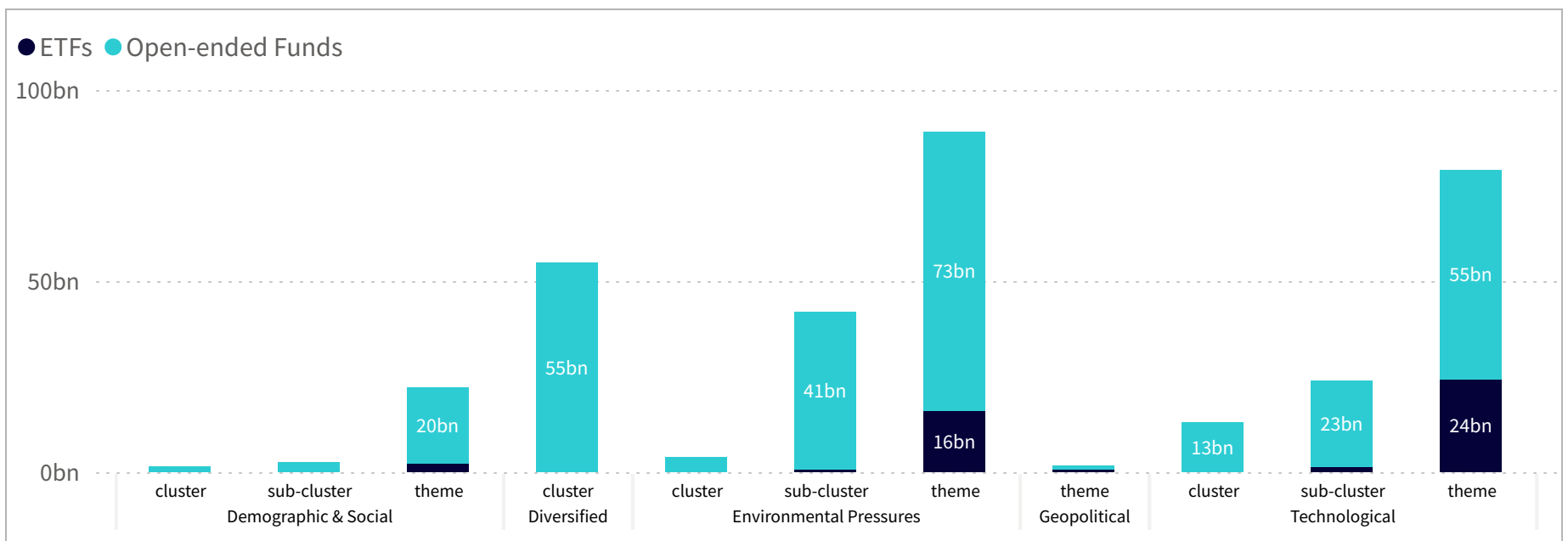
AuM in Thematics by region (Last 10Y)



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 31/03/2024 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

+ Flows in March were positive for ETFs (+\$267 million) but quite negative for Open-ended Funds with \$3.16 billion outflows.

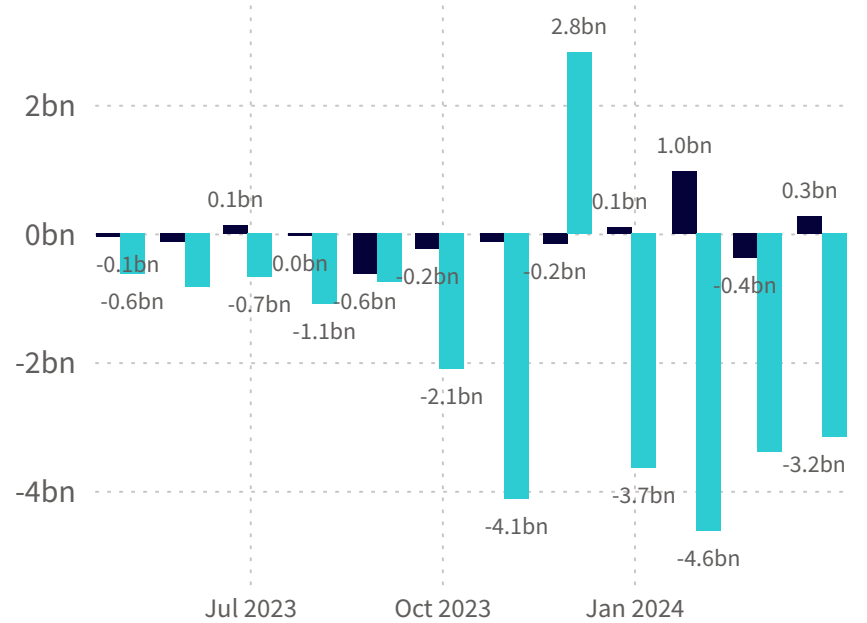
+ In March, "AI & Big Data" gathered the most assets again, with \$542 million across both wrappers, showing that the theme is continuing to attract interest. YTD the theme is now up \$1.6 billion, firmly occupies the first place.

"Semiconductors" was second with +\$300 million in March. Total YTD inflows in the theme sum up to \$588 million, remaining the second. "Rise of Tension" closed the top 3 with +\$278 million in March and +\$491 million YTD.

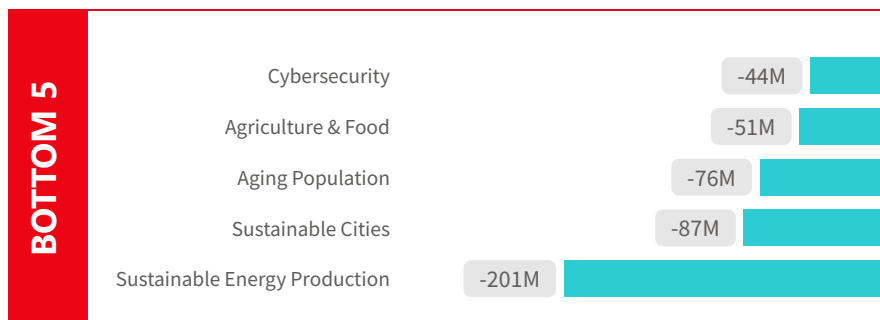
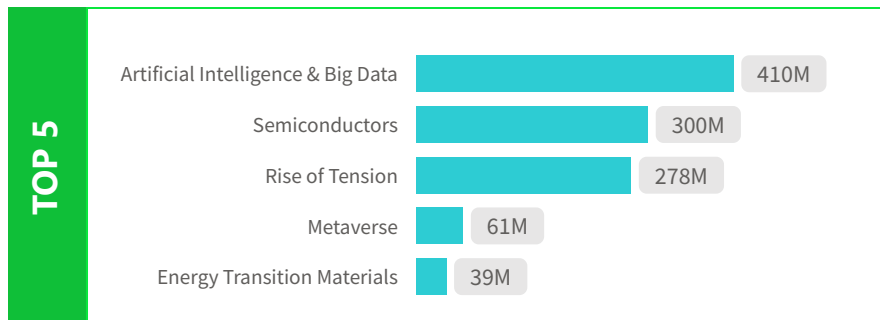
+ The worst performer for the month was "Sustainable Energy Production" again, with another \$936 million in outflows. "Aging Population" and "Water" followed with \$250 million and \$238 million of outflows respectively. "Sustainable Resource Management" and "Sustainable Mobility" closed the Bottom 5. Overall, "green themes" continued to suffer the majority of outflows in thematics.

Month-on-month thematic flows

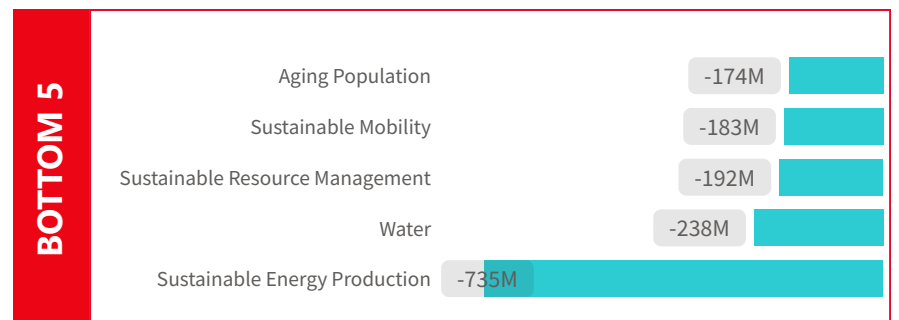
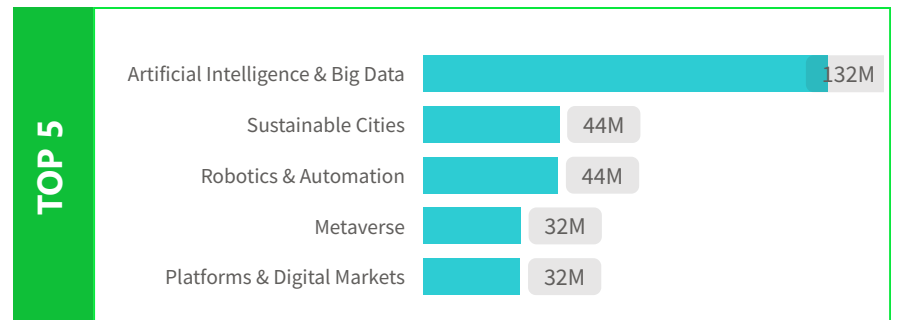
● ETFs ● Open-ended Funds



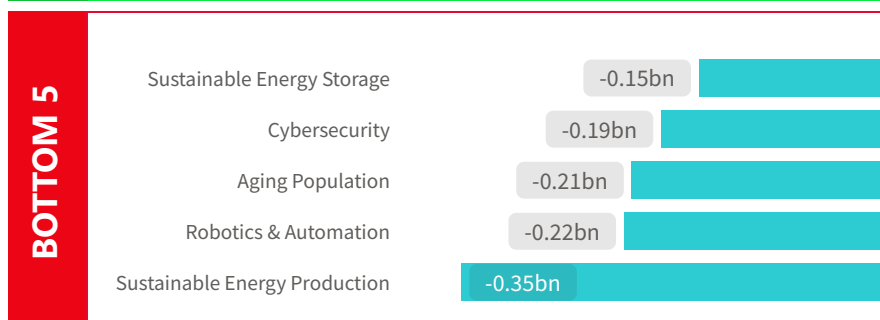
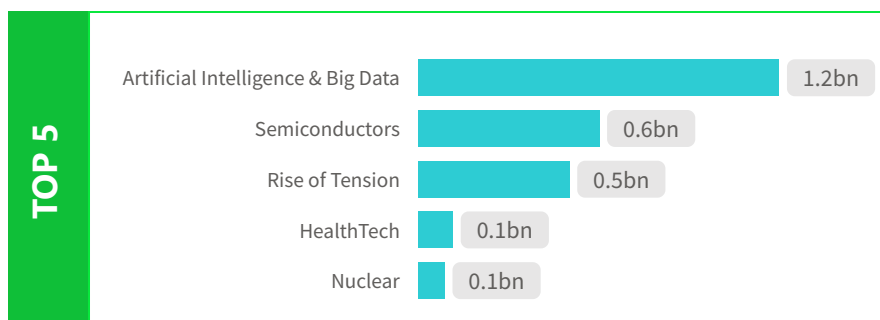
March Top/Bottom flows in Europe ETFs



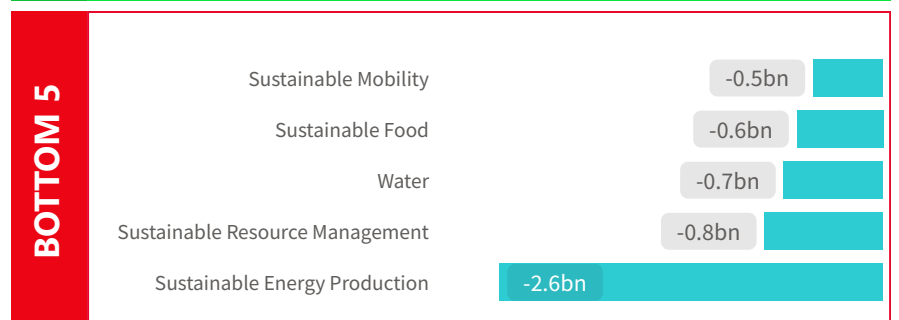
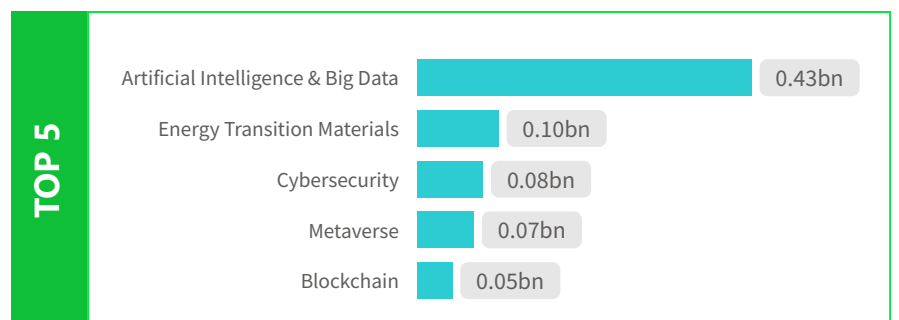
March Top/Bottom flows in Mutual Funds



YTD Top/Bottom flows in Europe ETFs



YTD Top/Bottom flows in Mutual Funds



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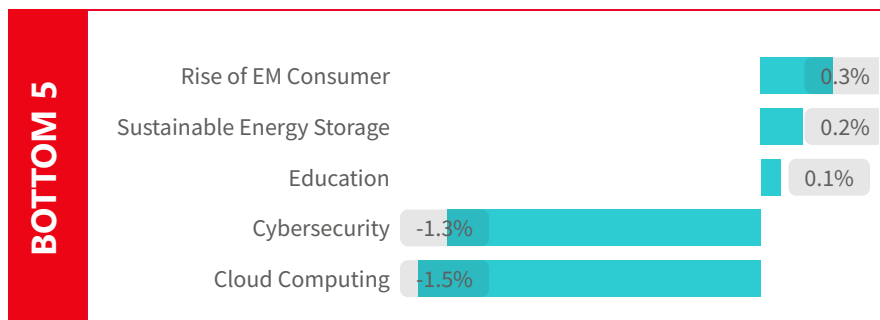
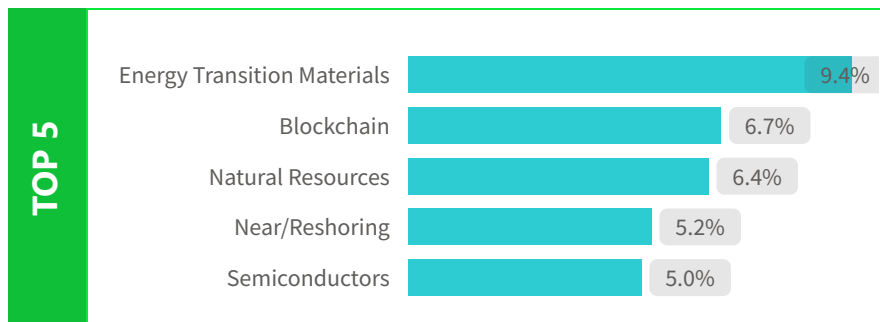
Thematic performance and launches in Europe

+ In March, "Energy Transition Materials" was the best theme with a gain of +9.4%, rebounding from its weak performance in January. "Blockchain" also performed strongly with a gain of +6.7% in the month, buoyed by the run-in Bitcoin and cryptocurrencies in general. "Natural Resources" and "Near/Reshoring" follow just after with +6.4% and +5.2% respectively. Year to Date, "Semiconductors" end up on top followed by "Rise of Tensions" and "Near/Reshoring". The "Geopolitical Shifts" cluster continues to show a lot of strength in this complicated geopolitical landscape.

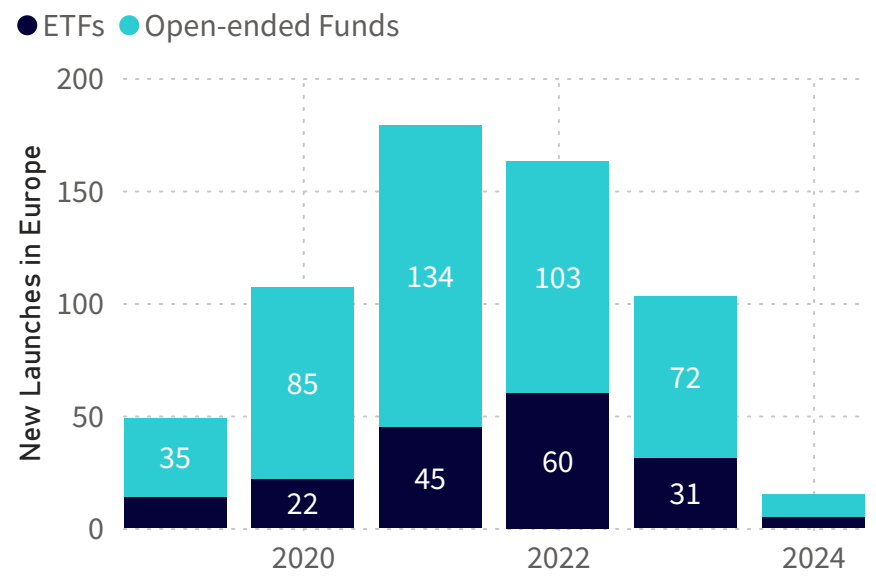
+ Year to Date, green themes still lead the way down despite slightly rebounded in March. "Sustainable Energy Production" and "Sustainable Energy Storage" posted -8.0% and -6.8% over the last 3 months. "Space" lost -4.8% and "Decarbonisation" lost -4.0%. Despite the strong performance in February, "China Tech" still closed the bottom 5 due to its mediocre performance at +0.6% in March.

+ Thematic launches have slowed in 2024 with only 5 ETFs and 10 open ended funds launched in the first quarter. This is the slowest pace since 2019.

Top 5/Bottom 5 by performance in March

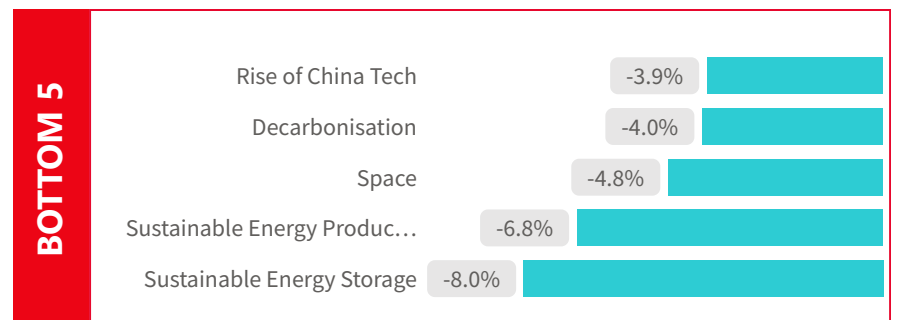
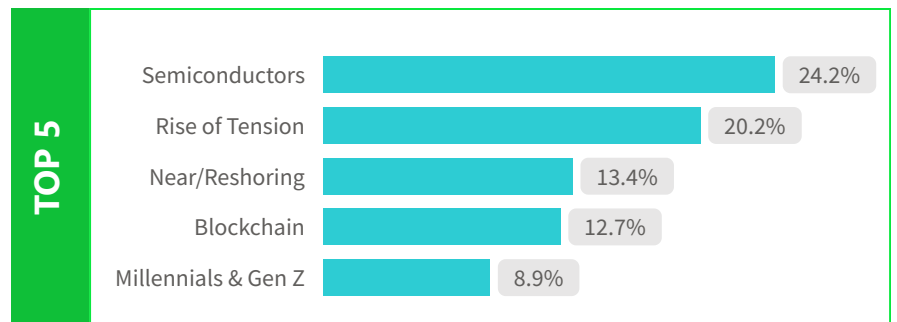


Yearly thematic launches in Europe*

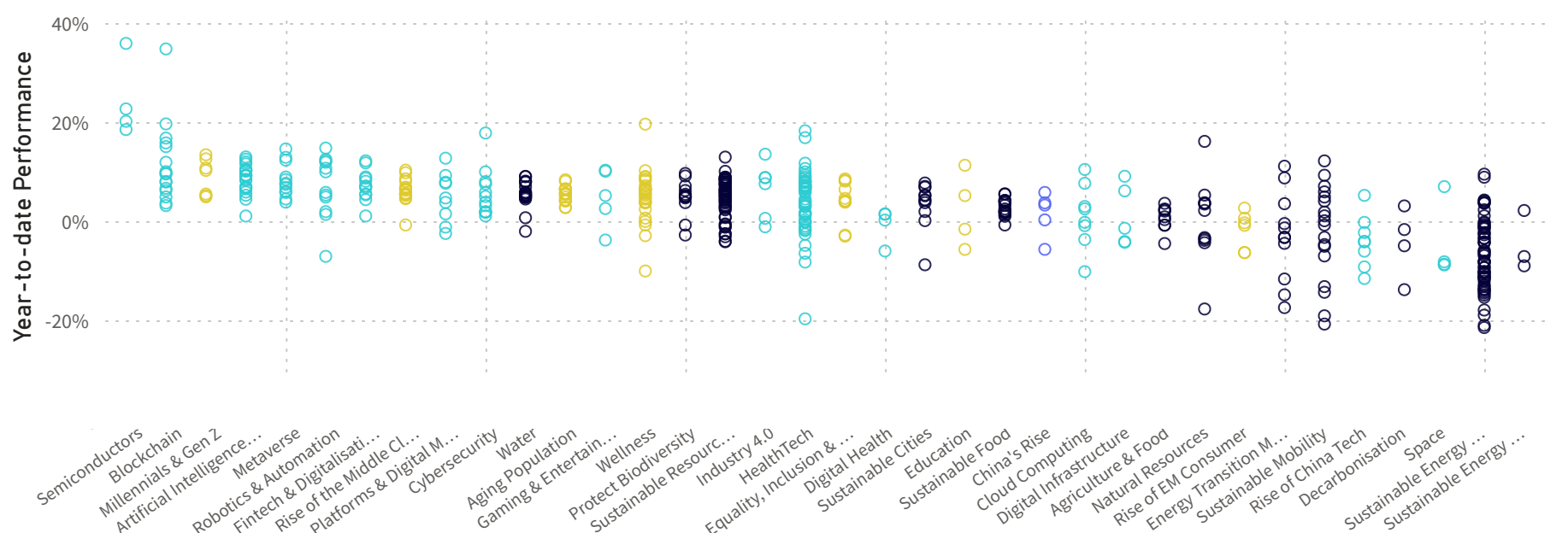


* New launches are updated quarterly

Top 5/Bottom 5 by YTD performance

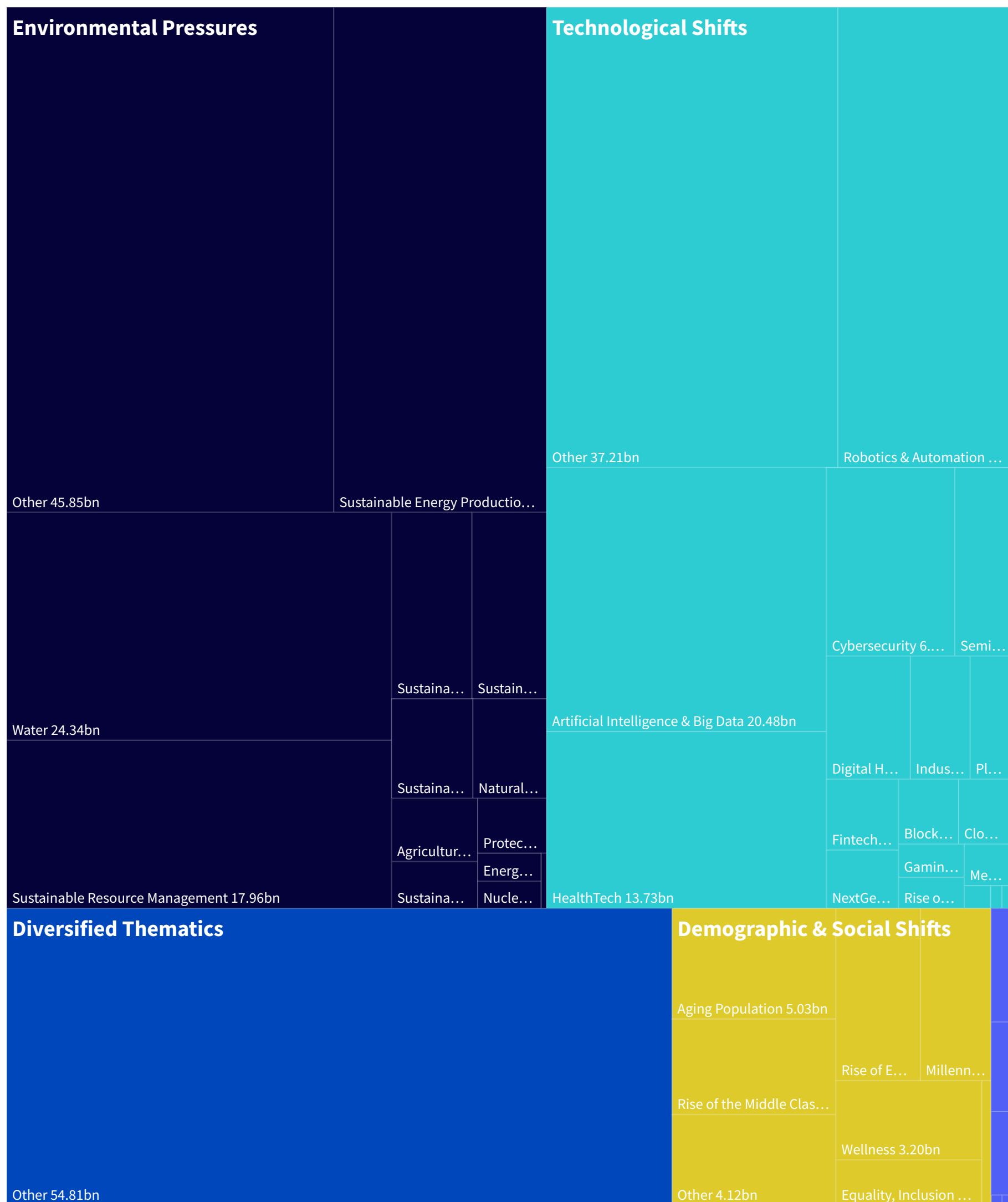


Dispersion of YTD performance of all ETFs and mutual funds by themes in Europe



Source: WisdomTree, Morningstar, Bloomberg. All data as of 31/03/2024 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 31/03/2024 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		13,172.67M	-197.71M	-568.07M
Technological Shifts	Disruptive Technologies	16,118.53M	-88.18M	-241.62M
Technological Shifts	HyperConnectivity & Digitalisation	7,922.44M	0.65M	495.98M
Environmental Pressures		3,832.45M	-64.08M	-235.11M
Environmental Pressures	Climate Change & Sustainability	42,011.22M	-665.50M	-2,322.26M
Environmental Pressures	Limited Resources	10.03M	0.03M	-0.41M
Diversified Thematics		54,805.02M	-304.65M	-1,075.21M
Demographic & Social Shifts		1,503.64M	-54.19M	-141.34M
Demographic & Social Shifts	Demographic Shifts	2,608.14M	0.92M	-17.56M
Demographic & Social Shifts	Social Shifts	11.85M	-1.30M	-3.33M

Appendix - Theme focused ETFs and Open-ended funds

Theme Name	AuM (\$)	Flows Last Month (\$)	Flows YTD (\$)	Performance Last Month	Performance YTD
Aging Population	5,032.95M	-249.80M	-593.56M	3.0%	5.5%
Agriculture & Food	1,509.13M	-97.68M	-287.43M	3.3%	0.6%
Artificial Intelligence & Big Data	20,478.97M	542.07M	1,602.35M	1.6%	8.6%
Blockchain	1,085.32M	6.74M	37.43M	6.7%	12.7%
China's Rise	515.76M	-10.10M	-43.26M	1.6%	1.6%
Cloud Computing	959.95M	14.10M	-13.33M	-1.5%	1.3%
Cybersecurity	6,717.43M	-27.64M	-100.48M	-1.3%	5.6%
Decarbonisation	84.10M	-1.15M	-5.71M	3.2%	-4.0%
Digital Health	2,867.87M	-47.90M	-156.16M	1.2%	3.9%
Digital Infrastructure	71.52M	2.27M	-3.29M	2.0%	1.0%
Education	318.55M	-1.68M	-25.66M	0.1%	2.2%
Energy Transition Materials	494.37M	63.04M	138.94M	9.4%	-1.5%
Equality, Inclusion & Diversity	1,841.78M	-26.74M	-73.01M	2.6%	3.9%
Fintech & Digitalisation of Finance	1,419.49M	-56.82M	-146.18M	3.2%	7.3%
Gaming & Entertainment	603.70M	-27.45M	-56.14M	1.3%	5.1%
Global Logistics	27.66M	0.29M	0.02M	3.6%	2.1%
HealthTech	13,734.74M	-107.18M	-326.79M	0.4%	4.2%
Industry 4.0	2,043.40M	-19.40M	-18.63M	2.9%	4.4%
Internet of Things	166.79M	6.23M	21.23M	1.3%	3.0%
Metaverse	547.12M	92.34M	134.77M	2.2%	8.5%
Millennials & Gen Z	3,386.66M	-87.48M	-190.93M	2.5%	8.9%
Natural Resources	2,036.05M	-18.54M	-148.10M	6.4%	0.9%
Near/Reshoring	480.98M	-0.30M	-9.56M	5.2%	13.4%
NextGen Communications	1,166.07M	-24.35M	-93.33M	2.0%	7.7%
Nuclear	477.09M	-6.24M	85.83M	3.8%	7.4%
Platforms & Digital Markets	1,427.84M	16.10M	-135.70M	2.2%	6.1%
Political Polarisation	31.14M	0.00M	-0.85M	1.6%	-1.9%
Protect Biodiversity	1,050.13M	-8.76M	-29.20M	2.9%	4.8%
Rise of China Tech	567.45M	28.28M	19.88M	0.6%	-3.9%
Rise of EM Consumer	4,039.72M	-149.26M	-333.58M	0.3%	-1.8%
Rise of Tension	655.25M	277.72M	490.81M	4.8%	20.2%
Rise of the Middle Class	4,346.60M	-71.28M	-407.97M	1.3%	6.0%
Robotics & Automation	22,223.44M	30.06M	-213.48M	2.0%	7.4%
Semiconductors	2,980.11M	299.58M	587.71M	5.0%	24.2%
Space	62.39M	5.23M	9.49M	1.6%	-4.8%
Sustainable Cities	2,242.87M	-42.16M	-38.04M	3.2%	3.4%
Sustainable Energy Production	29,837.91M	-935.58M	-2,996.00M	2.9%	-6.8%
Sustainable Energy Storage	1,119.08M	-37.95M	-173.58M	0.2%	-8.0%
Sustainable Food	4,160.08M	-165.23M	-604.27M	3.2%	2.1%
Sustainable Mobility	3,864.65M	-202.29M	-565.20M	1.0%	-3.0%
Sustainable Resource Management	17,963.29M	-221.99M	-869.43M	3.7%	4.6%
Water	24,341.35M	-223.04M	-662.59M	3.7%	5.5%
Wellness	3,204.62M	-38.87M	-23.20M	2.6%	5.1%

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

Source: WisdomTree, as of 31/12/2023

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