

WisdomTree European thematic monthly update

March 2025

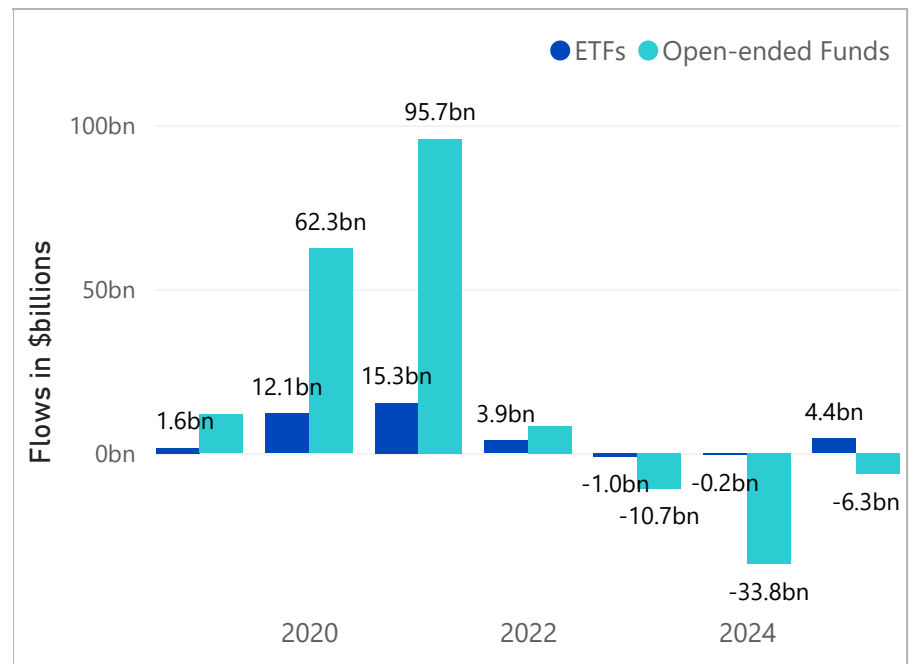
Thematic universe overview

+ AUM in thematic ETFs and open-ended funds decreased to \$298.7 billion, primarily driven by negative performance in March. Open-ended funds saw their AUM decline from \$267.9 billion in February to \$249.8 billion at the end of March, while ETFs' AUM increased marginally to \$48.8 billion. Consequently, ETFs' share of thematic funds reached a record high of 16.3%.

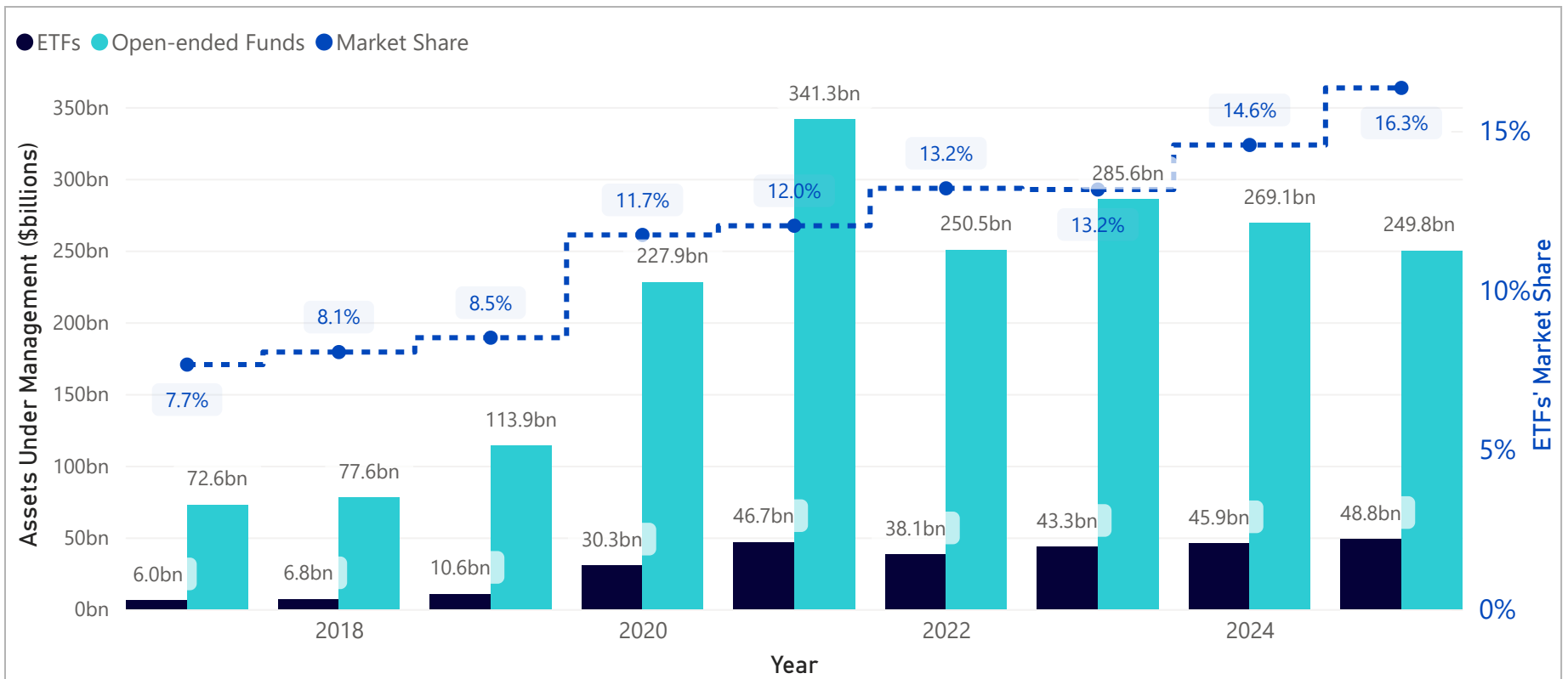
+ Total flows for thematic ETFs and open-ended funds turned negative, reaching around -\$1.2 billion. Open-ended funds experienced outflows of around \$3.6 billion, whereas ETFs recorded inflows of about \$2.4 billion in March. The "Rise of Tension" theme, mainly comprising defence-themed funds, led ETF inflows with around \$2.4 billion, supported by Europe's strategic shift towards increased defence spending. Conversely, "Sustainable Energy Production" experienced the largest outflows, extending its 12-month total outflows to \$8.6 billion.

+ Thematic ETFs recorded positive inflows every month year-to-date, accumulating \$4.4 billion YTD, indicating a continued recovery. In contrast, thematic open-ended funds reported negative flows each month over the past 12 months, totalling \$28.8 billion in outflows.

Recent yearly flows in Europe



Europe-domiciled thematic AUM evolution and ETFs' market share



Source: WisdomTree, Morningstar, Bloomberg. All data as of 31/03/2025 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)

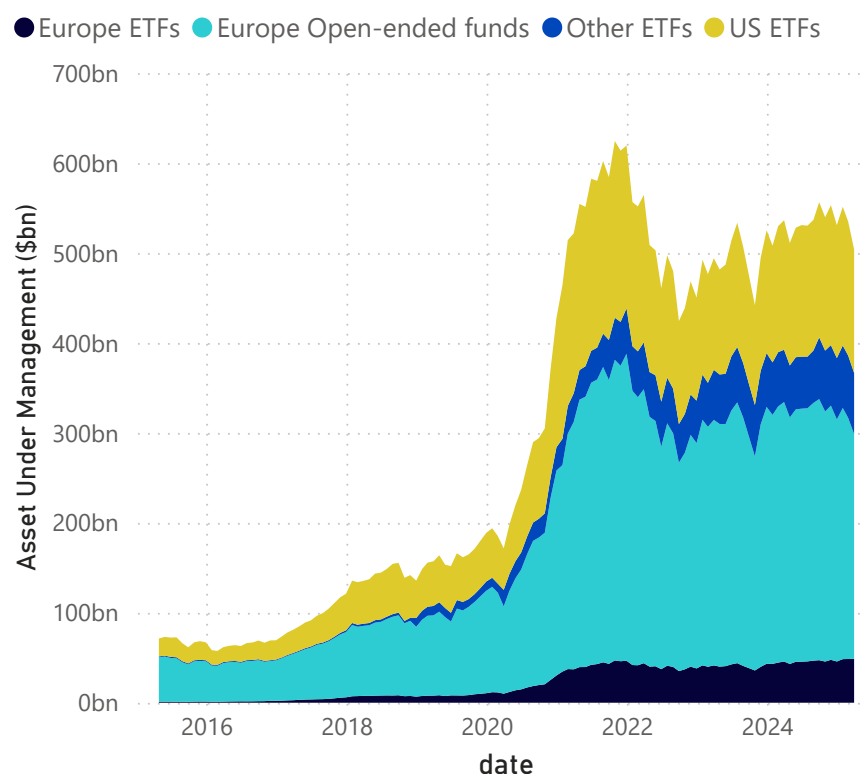
+ Performance in March was predominantly negative, aligned with the broader equity market. Only five themes achieved positive returns, while 22 themes still outperformed the MSCI ACWI (-4.15%). "Rise of Tension" was the best-performing theme, delivering a 6.0% return in March and raising its trailing 12-month return to 31.1%, the highest among all themes. Conversely, "Blockchain" performed worst, declining 12.9% during the month.

+ At the cluster level, "Environmental Pressures" experienced the largest outflows (-\$2.3 billion), primarily driven by significant withdrawals from green-themed investments, leading to year-to-date outflows of \$6.2 billion. "Geopolitical Shifts" attracted \$2.5 billion inflows in March, benefiting strongly from the "Rise of Tension" theme.

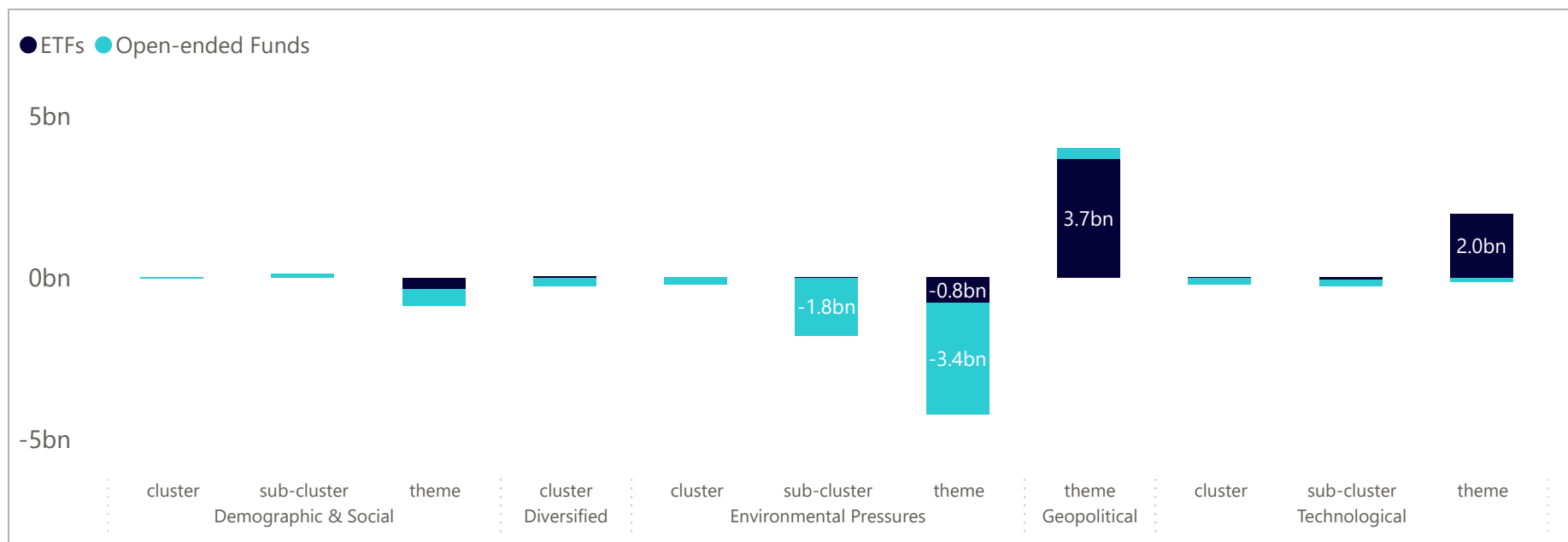
+ "Technological Shifts," the largest cluster by AUM, showed mixed results. Themes such as "Cybersecurity" and "China Tech" attracted substantial inflows, while "Robotics & Automation" faced significant outflows. Overall, the cluster experienced net outflows of around \$0.7 billion in March.

+ Globally, the combined AUM in global thematic ETFs and European thematic open-ended funds fell to \$504 billion in March, down from \$535 billion in February. "Technological Shifts" remained the largest cluster, with an AUM of \$252 billion.

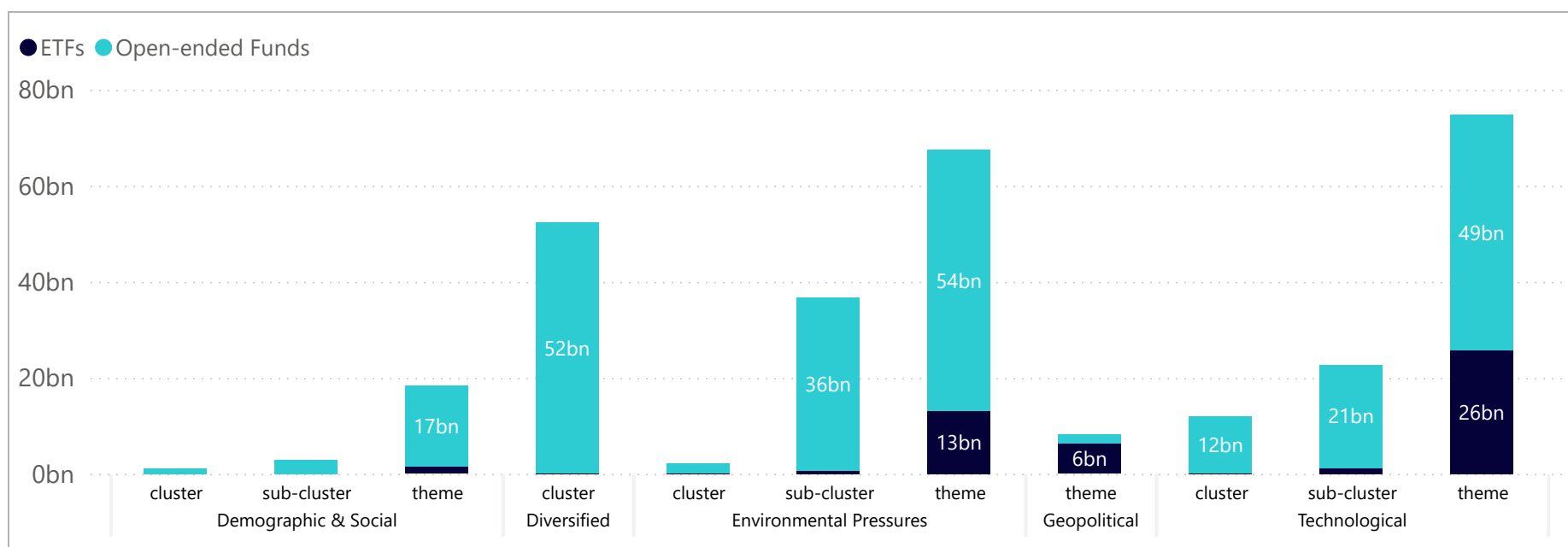
AuM in Thematics by region (Last 10Y)



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



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Thematic flows in Europe

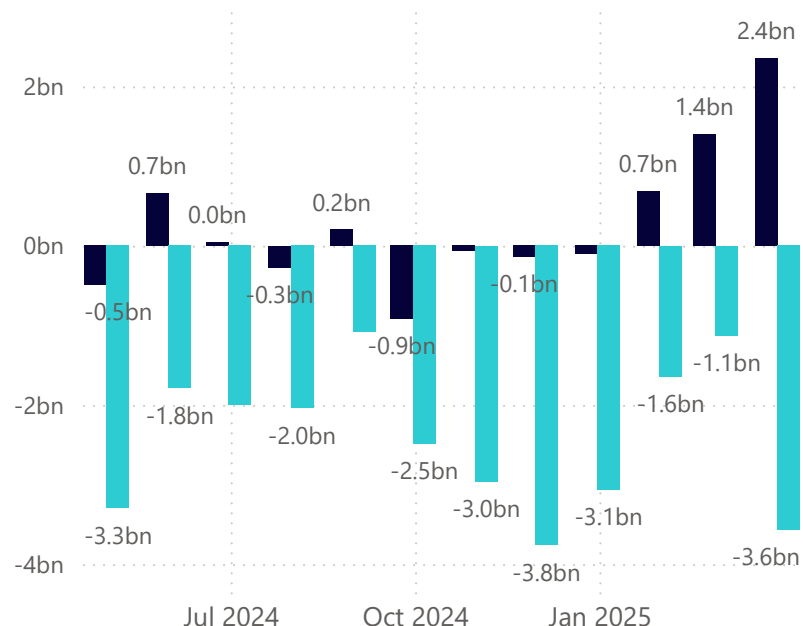
+ European thematic ETFs and open-ended funds recorded combined net outflows of \$1.2 billion in March, despite ETFs achieving their highest monthly inflows (\$2.4 billion) over the past 12 months.

+ European defence themes attracted significant attention following commitments by European governments to increase defence spending, strongly benefiting the "Rise of Tension" theme. This theme alone drew inflows of \$2.4 billion, with the only Europe-focused defence ETF capturing \$728 million since its launch on 11th March. "Cybersecurity" followed, attracting inflows of \$400 million in the ETFs and open-ended funds, ranking second both monthly and year-to-date. "China Tech" completed the top three, attracting inflows of \$332 million.

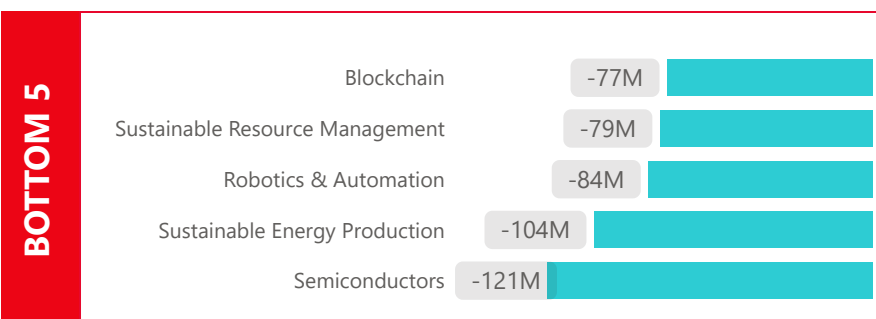
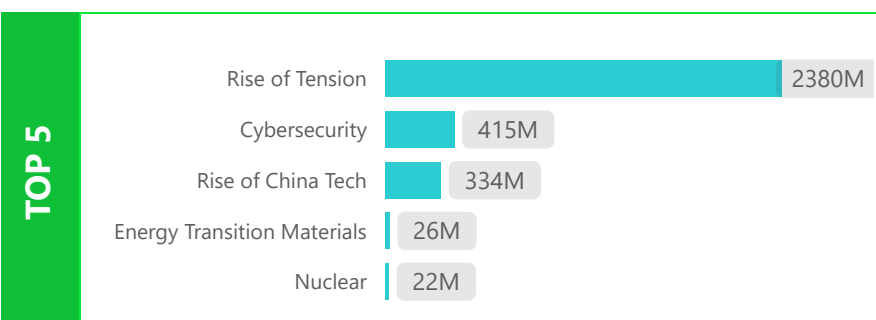
+ Conversely, green themes led the outflows in March, with the three bottom-performing themes from the "Environmental Pressures" cluster. "Sustainable Energy Production," "Water," and "Sustainable Resource Management" collectively saw outflows of \$1.4 billion. These themes also led year-to-date outflows. "AI & Big Data," despite ranking third in year-to-date inflows, saw slight outflows of \$74 million in March.

Month-on-month thematic flows

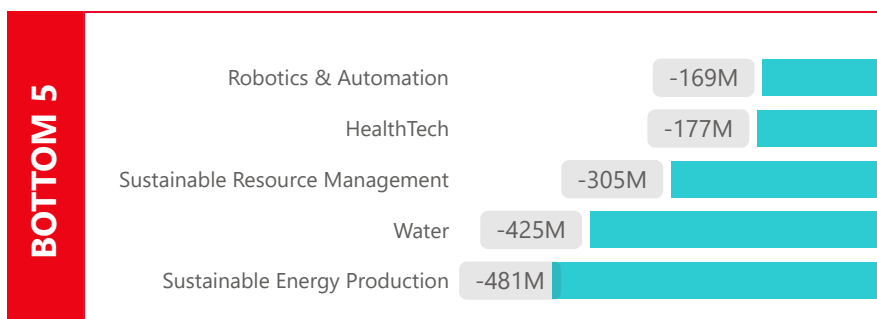
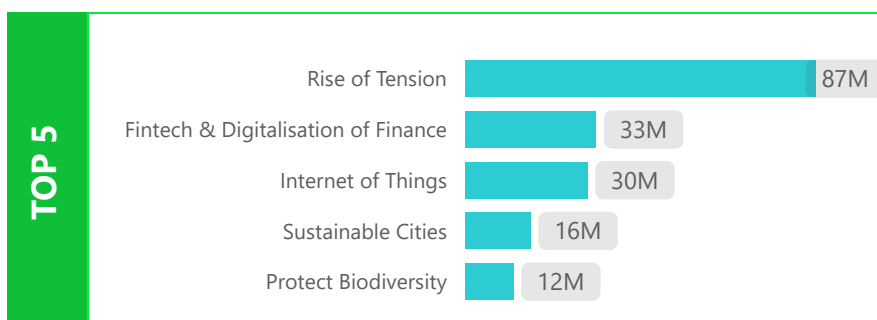
● ETFs ● Open-ended Funds



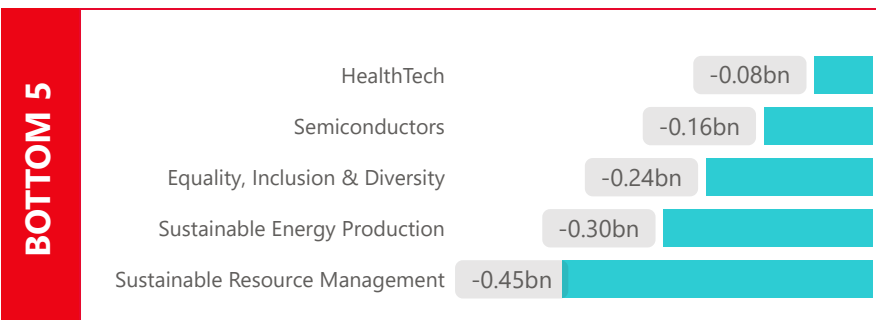
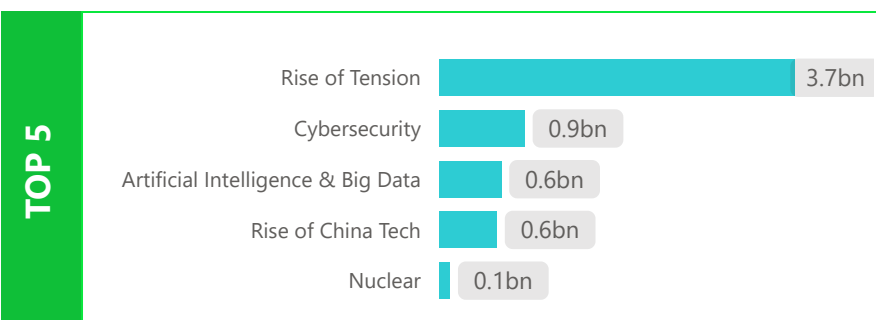
March Top/Bottom flows in Europe ETFs



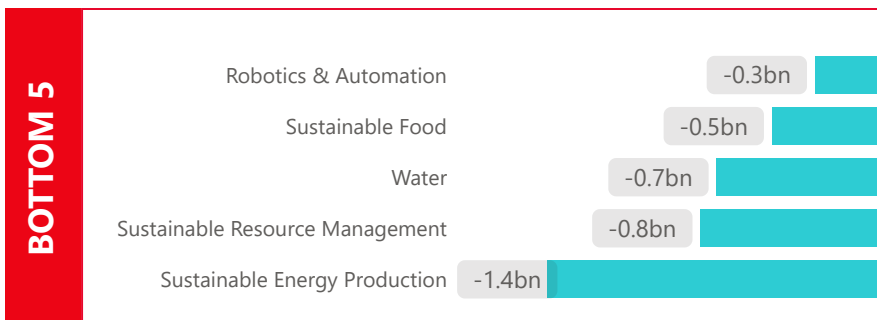
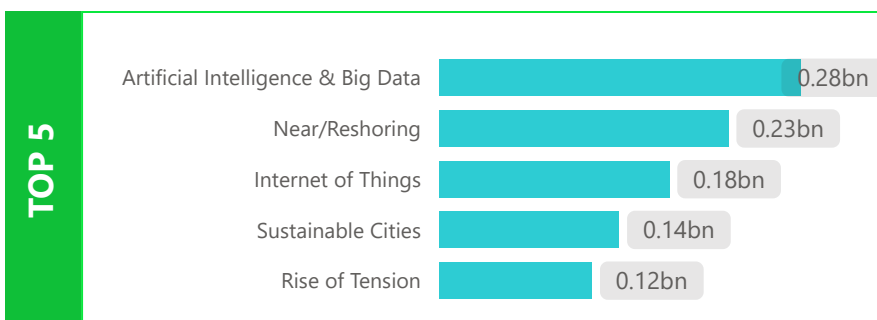
March Top/Bottom flows in Mutual Funds



YTD Top/Bottom flows in Europe ETFs



YTD Top/Bottom flows in Mutual Funds



Source: WisdomTree, Morningstar, Bloomberg. All data as of 31/03/2025 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.**

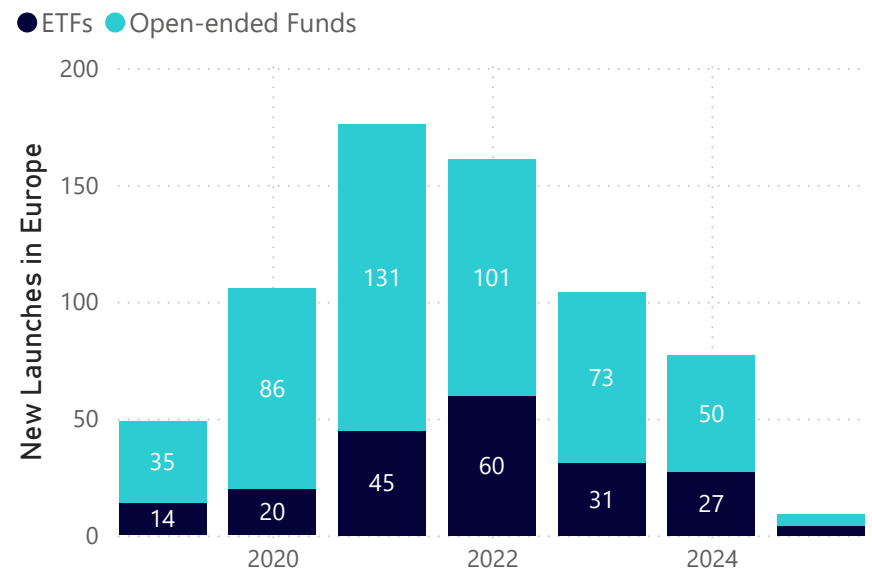
Thematic performance and launches in Europe

+ Performance of European thematic ETFs and open-ended funds in March was weak, consistent with broader market trends, with only five themes delivering positive returns.

+ "Rise of Tension" was the top-performing theme, benefiting significantly from increased European defence spending commitments amid geopolitical tensions. "China's Rise" followed, posting a return of 2.3%, bringing its trailing 12-month return to 16.4%. Year-to-date, China-related themes ("China's Rise" and "China Tech") were the second and third-best performers.

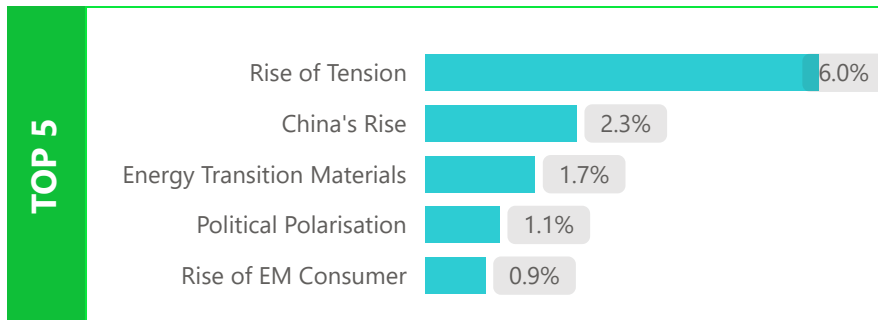
+ Conversely, tech themes declined in March amid growing market concerns over economic growth linked to changes in the US tariff regime, affecting valuations. "Blockchain" was the worst performer, declining by 12.9% in March and extending its year-to-date return to -18.7%. Growth-sensitive tech themes such as "Semiconductors," "AI & Big Data," and "Cloud Computing" also experienced significant declines, resulting in the bottom five performing themes all belonging to the "Technological Shifts" cluster.

Yearly thematic launches in Europe*

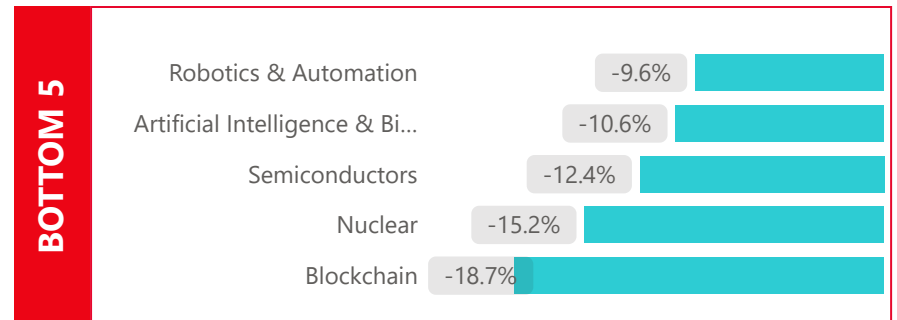
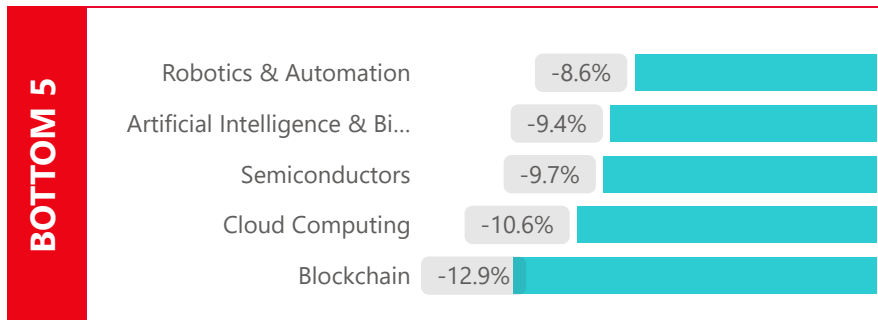
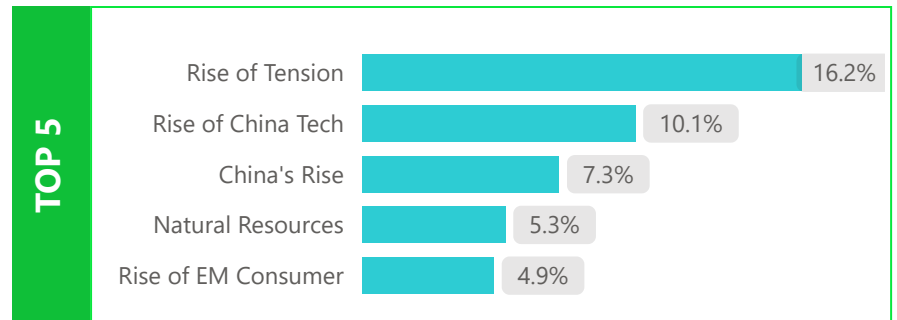


* New launches are updated quarterly

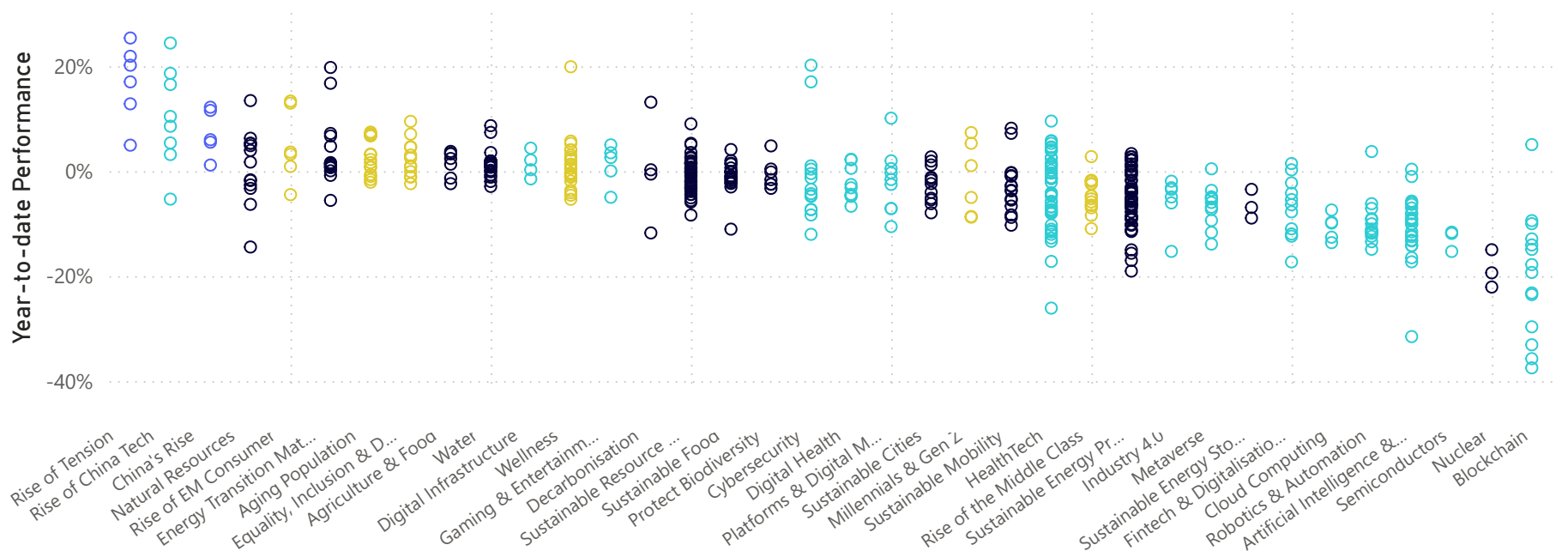
Top 5/Bottom 5 by performance in March



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 31/03/2025 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		11,948.01M	-267.14M	-212.45M
Technological Shifts	Disruptive Technologies	14,511.33M	-180.50M	-189.55M
Technological Shifts	HyperConnectivity & Digitalisation	8,189.99M	-160.61M	-76.56M
Environmental Pressures		2,171.72M	-77.63M	-221.02M
Environmental Pressures	Climate Change & Sustainability	36,625.80M	-642.93M	-1,799.68M
Environmental Pressures	Limited Resources	85.37M	0.27M	1.70M
Diversified Thematics		52,291.53M	-261.70M	-230.39M
Demographic & Social Shifts		1,091.98M	-17.29M	-39.41M
Demographic & Social Shifts	Demographic Shifts	2,908.04M	16.00M	114.22M

Appendix - Theme focused ETFs and Open-ended funds

Theme Name	AuM (\$)	Flows Last Month (\$)	Flows YTD (\$)	Performance Last Month	Performance YTD
Rise of Tension	6,500.87M	2,467.37M	3,780.60M	6.0%	16.2%
Cybersecurity	7,678.49M	399.83M	927.45M	-5.3%	-1.6%
Rise of China Tech	1,340.16M	332.39M	592.00M	-1.9%	10.1%
Internet of Things	343.67M	30.41M	179.58M	-7.8%	-7.1%
Nuclear	560.21M	21.87M	114.14M	-7.6%	-15.2%
Fintech & Digitalisation of Finance	1,296.27M	21.65M	-70.08M	-6.7%	-7.0%
Energy Transition Materials	560.13M	20.17M	43.26M	1.7%	3.9%
Protect Biodiversity	1,051.41M	11.96M	20.14M	-2.6%	-0.9%
Space	246.25M	11.26M	94.19M	-2.4%	-0.1%
Near/Reshoring	1,139.25M	11.03M	225.68M	-4.4%	-7.4%
China's Rise	574.22M	10.66M	-4.73M	2.3%	7.3%
Cloud Computing	796.58M	2.10M	16.01M	-10.6%	-9.5%
Political Polarisation	50.71M	0.04M	0.04M	1.1%	-2.2%
Global Logistics	22.52M	-0.09M	0.83M	-4.0%	-2.3%
Decarbonisation	46.25M	-1.53M	-3.10M	-0.5%	0.1%
Metaverse	754.41M	-5.03M	36.42M	-7.6%	-6.1%
Digital Infrastructure	59.83M	-8.18M	-0.44M	-3.6%	1.4%
Gaming & Entertainment	697.14M	-13.27M	13.52M	-6.1%	1.2%
Natural Resources	1,687.78M	-14.80M	12.32M	-1.5%	5.3%
Platforms & Digital Markets	893.49M	-15.84M	-48.56M	-4.2%	-2.0%
NextGen Communications	964.45M	-18.01M	-15.25M	-7.5%	-8.9%
Industry 4.0	2,192.45M	-23.70M	-17.18M	-5.3%	-5.6%
Sustainable Energy Storage	672.38M	-24.76M	-75.96M	-5.9%	-6.9%
Equality, Inclusion & Diversity	1,393.73M	-25.78M	-224.51M	-1.6%	2.4%
Sustainable Cities	2,574.84M	-27.65M	91.57M	-3.7%	-2.5%
Aging Population	3,997.49M	-28.73M	-76.73M	-2.6%	3.0%
Agriculture & Food	971.26M	-40.53M	-75.18M	-1.9%	1.5%
Rise of EM Consumer	3,734.65M	-45.18M	-130.04M	0.9%	4.9%
Education	80.03M	-53.15M	-54.54M	-4.1%	0.1%
Sustainable Mobility	2,401.80M	-69.88M	-242.07M	-4.7%	-2.9%
Rise of the Middle Class	3,219.21M	-70.19M	-64.56M	-8.3%	-4.5%
Blockchain	1,151.59M	-72.20M	148.55M	-12.9%	-18.7%
Sustainable Food	2,737.28M	-72.28M	-476.87M	-3.0%	-0.8%
Digital Health	2,269.21M	-73.67M	-96.12M	-6.9%	-1.9%
Artificial Intelligence & Big Data	22,448.07M	-74.33M	922.34M	-9.4%	-10.6%
Millennials & Gen Z	2,983.04M	-93.17M	-211.36M	-4.5%	-2.6%
Wellness	2,958.89M	-107.73M	-128.77M	-3.8%	1.3%
Semiconductors	3,053.71M	-121.42M	-156.33M	-9.7%	-12.4%
HealthTech	10,705.25M	-208.83M	-348.60M	-6.2%	-3.3%
Robotics & Automation	17,856.94M	-252.94M	-317.31M	-8.6%	-9.6%
Sustainable Resource Management	14,615.13M	-383.82M	-1,202.53M	-2.3%	-0.8%
Water	21,584.98M	-433.10M	-714.68M	-0.4%	1.4%
Sustainable Energy Production	17,964.65M	-584.68M	-1,711.93M	-3.3%	-4.9%

Source: WisdomTree, Morningstar, Bloomberg. All data as of 31/03/2025 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	Decarbonisation	Agriculture & Food
Rise of China Tech		Millennials & Gen Z	Equality, Inclusion & Diversity		Political Polarisation	Protect Biodiversity	Natural Resources
Blockchain	Cybersecurity		Rise of the Middle Class		Rise of Tension	Sustainable Mobility	Water
HealthTech	Digital Health		Rise of EM Consumer		Near/Reshoring	Sustainable Energy Production	Nuclear
Industry 4.0	Digital Infrastructure		Wellness			Sustainable Energy Storage	
Next Gen Communications	Fintech & Digitalisation of Finance					Sustainable Food	
Robotics & Automation	Gaming & Entertainment					Sustainable Cities	
Semiconductors	Internet of Things					Sustainable Resource Management	
Smart Materials & Nano Tech	Metaverse					Extreme Events	
Space	Platforms & Digital Markets					Energy Transition Materials	
Quantum Computing	Social Media & Media						

Source: WisdomTree, as of 31/12/2024

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WisdomTree European Thematic Monthly Update

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