

WisdomTree European thematic monthly update

May 2025

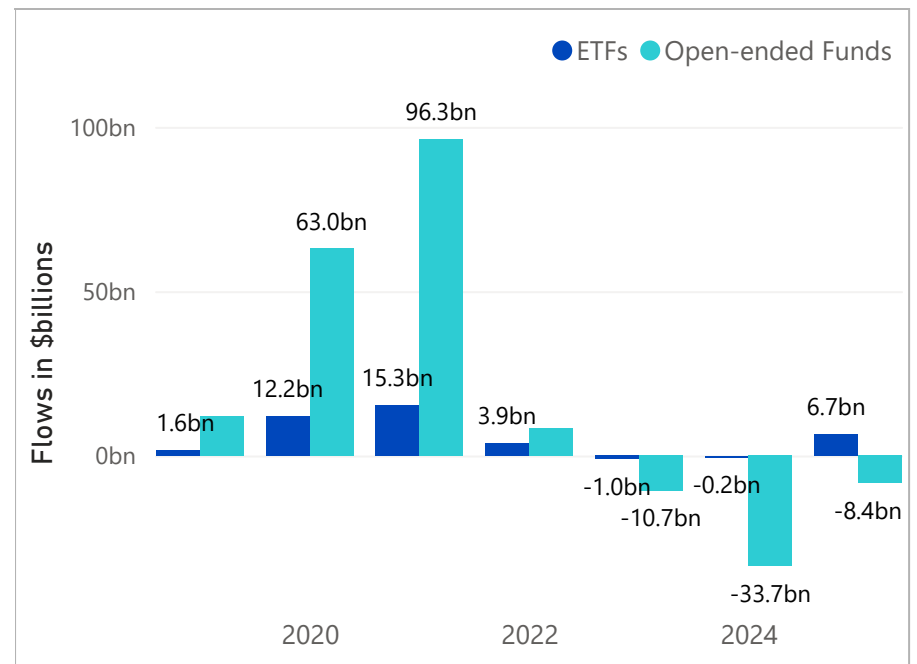
Thematic universe overview

+ AUM in thematic ETFs and open-ended funds rose to \$326.9 billion, driven primarily by strong performance in May. ETF assets jumped from \$51.5 billion to \$57.2 billion, pushing ETFs' share of thematic funds to a record-high 17.5%.

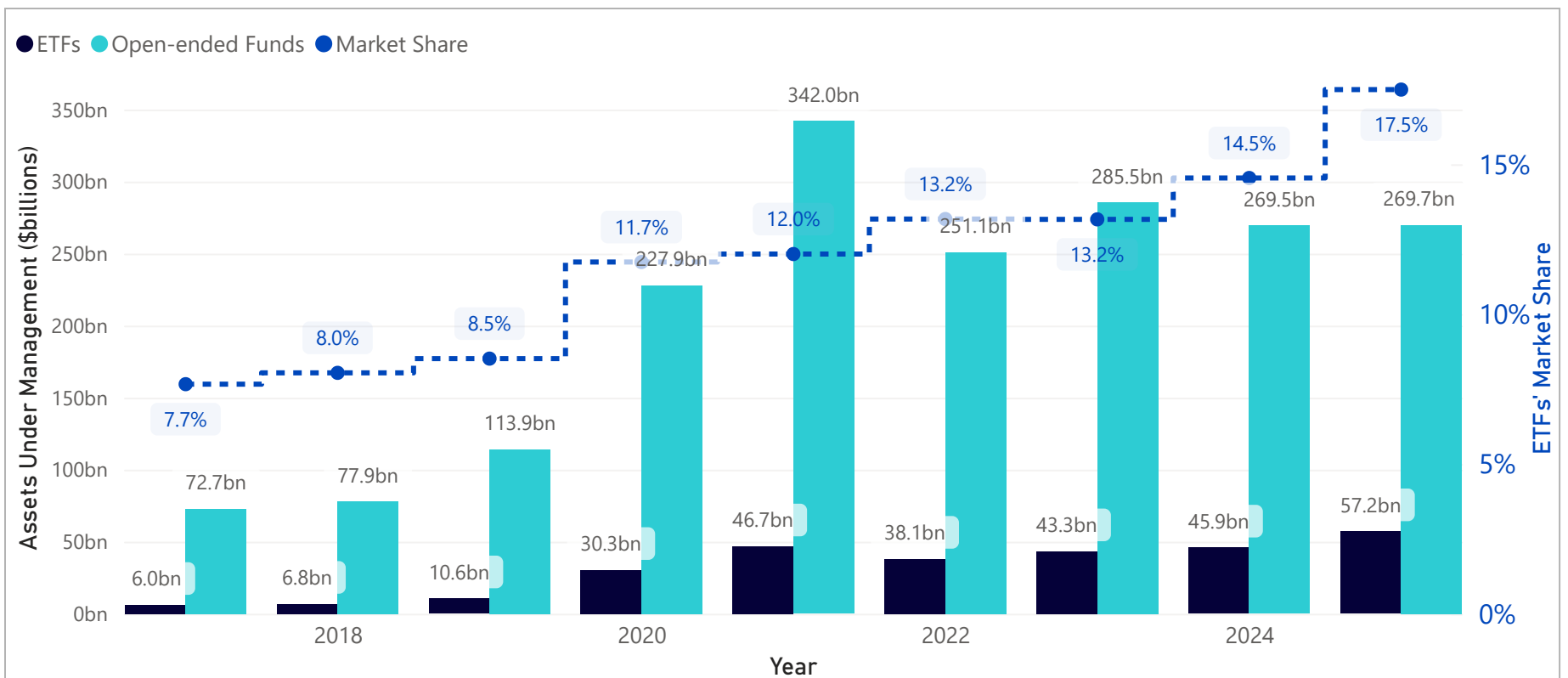
+ Total flows for thematic funds returned to positive territory at \$1.4 billion in May, signalling a gradual recovery in market sentiment after the tariff-induced dip. Of these inflows, \$1.8 billion flowed into ETFs, while open-ended funds saw outflows of \$0.4 billion. Year to date, thematic ETFs have recorded net inflows every month, whereas open-ended funds have experienced outflows in each of the past 12 months, underscoring the continued divergence between the two.

+ At the theme level, "Rise of Tension"—predominantly defence-themed funds—attracted strong inflows of approximately \$1.3 billion in May, lifting its year-to-date total to \$6.6 billion. Flows initially favoured global defence funds but have since shifted towards those focused on the European defence sector. By contrast, "Sustainable Energy Production" recorded the largest outflows in May, at \$327 million, bringing its year-to-date net outflow to \$2.5 billion.

Recent yearly flows in Europe



Europe-domiciled thematic AUM evolution and ETFs' market share



Source: WisdomTree, Morningstar, Bloomberg. All data as of 31/05/2025 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.**

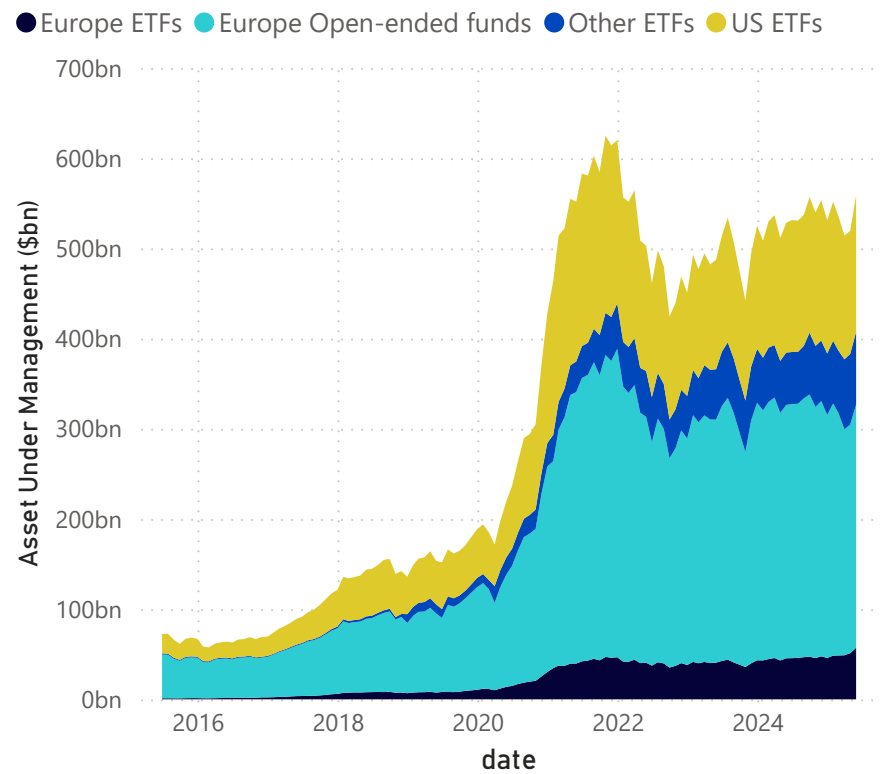
Thematic universe overview (continued)

+ Although trade tensions following Liberation Day hit the broader market, thematic funds subsequently regained ground. In May, thematic funds generally performed well: 24 themes outperformed the MSCI ACWI, and 41 closed the month with positive returns. "Nuclear" was the best-performing theme, delivering a 22.1% return in May and lifting its year-to-date return into positive territory at 12.5%. President Trump's executive orders to expand US nuclear power capacity provided a strong tailwind. Conversely, "HealthTech" was the weakest performer, falling by 1.9%.

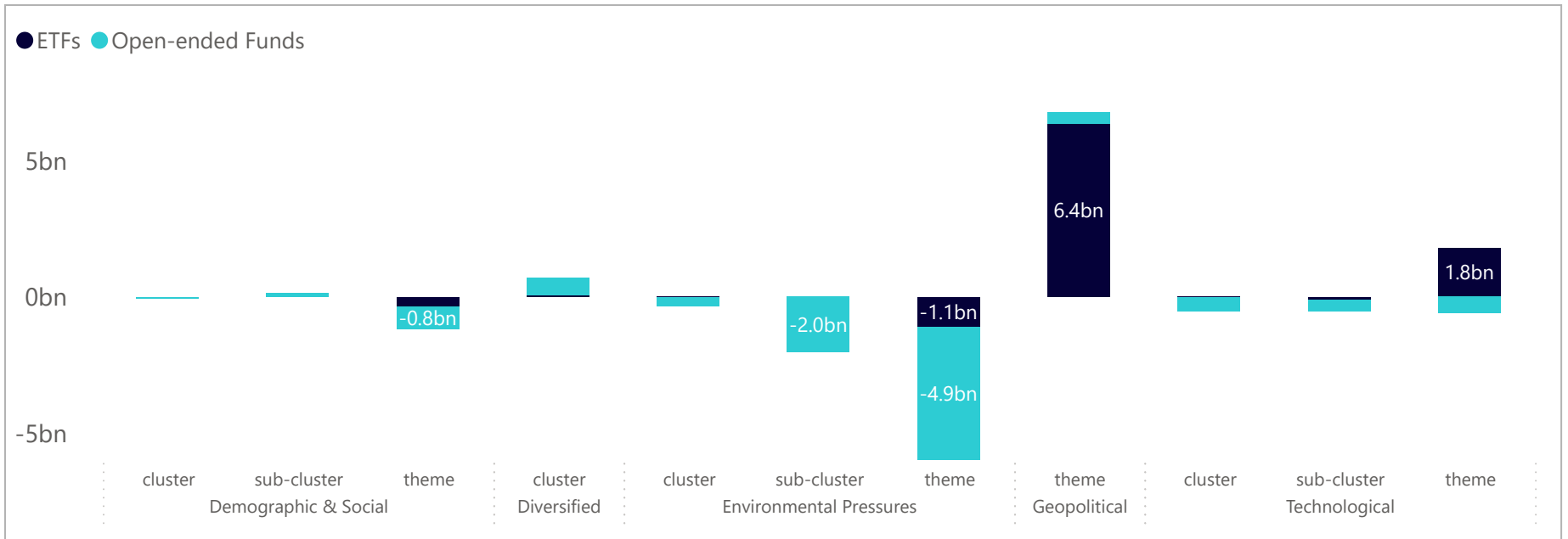
+ At the cluster level, "Environmental Pressures" saw the largest outflows, totalling \$0.9 billion, driven by sustained withdrawals from green-themed investments and bringing its year-to-date outflows to \$8.3 billion. The "Technological Shifts" cluster rebounded with \$377 million of inflows in May after \$1.1 billion of outflows in April. Meanwhile, "Geopolitical Shifts" continued to attract substantial inflows of \$1.3 billion—primarily from the "Rise of Tension" theme—bringing its year-to-date inflows to \$6.8 billion.

+ Globally, combined AUM in global thematic ETFs and European thematic open-ended funds rose to \$558.6 billion in May, up from \$520 billion in April. "Technological Shifts" remained the largest cluster, with \$283 billion in AUM.

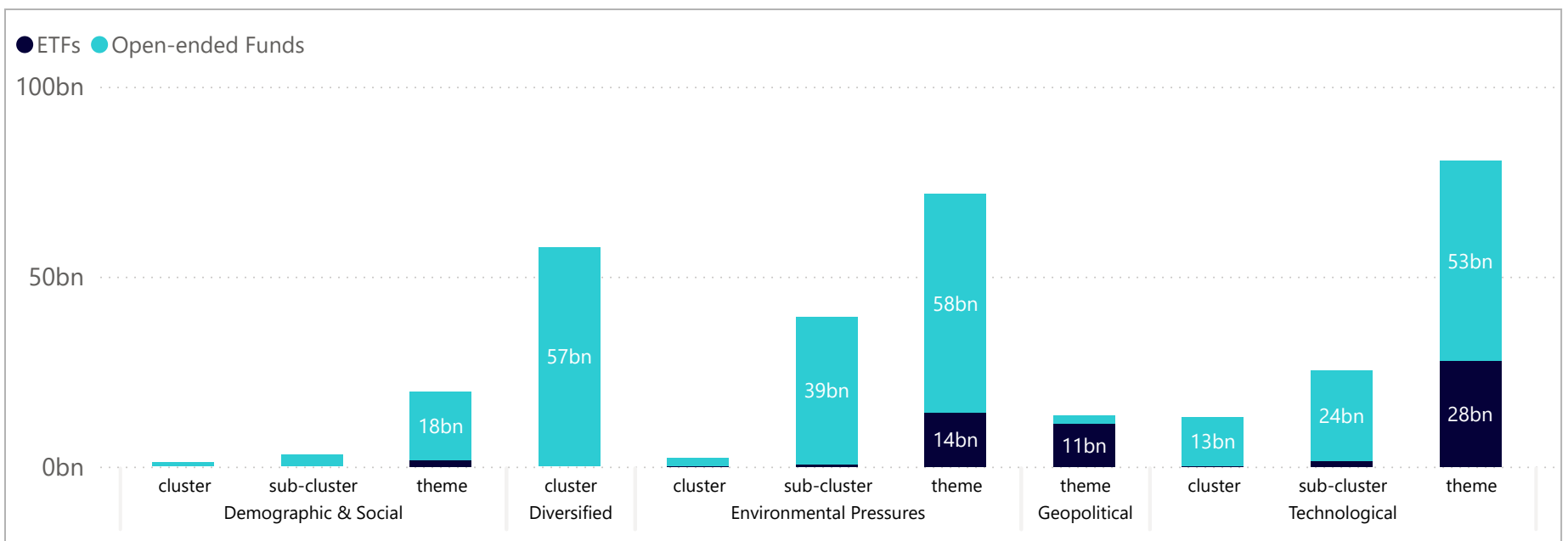
AuM in Thematics by region (Last 10Y)



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 31/05/2025 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.**

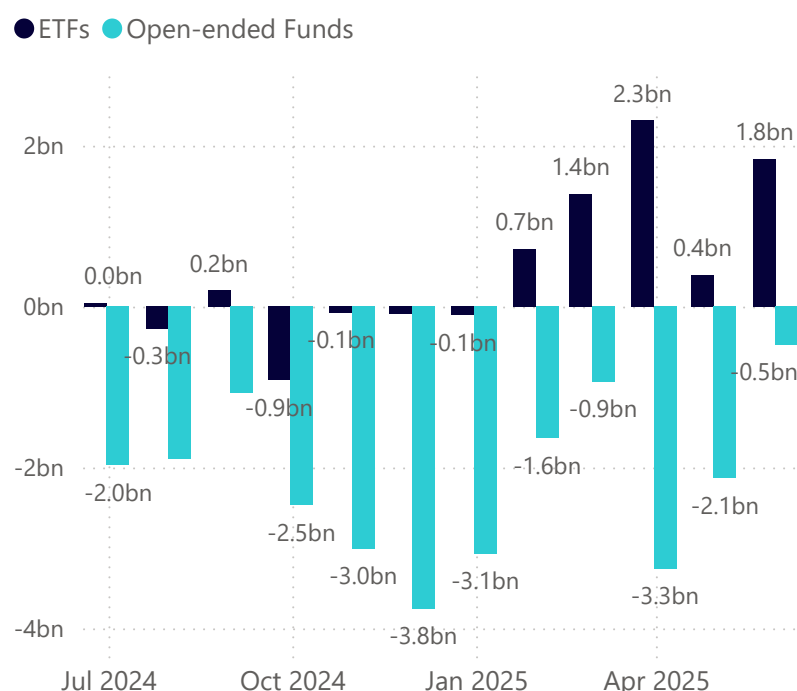
Thematic flows in Europe

+ European thematic ETFs and open-ended funds recorded combined net inflows of \$1.4 billion in May, with ETFs accounting for \$1.8 billion of inflows, while open-ended funds saw outflows of \$0.4 billion. Over the past 12 months, ETFs have accumulated \$5.4 billion of inflows, compared with \$25.7 billion of outflows from open-ended funds.

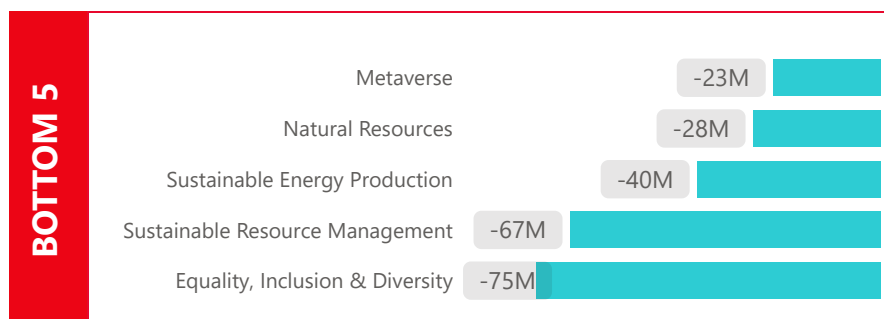
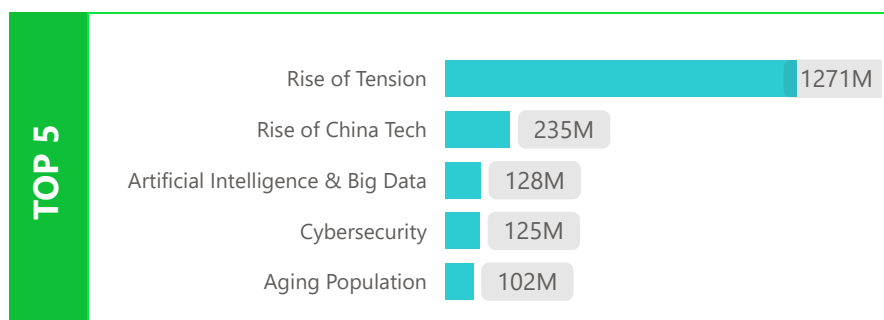
+ European defence remained a focal point, underpinned by strong commitments to increased defence spending. The incoming NATO summit may act as the next catalyst for this theme. The "Rise of Tension" theme—including both ETFs and open-ended funds—attracted \$1.3 billion in May, raising its year-to-date inflows to \$6.6 billion. Technology themes also resonated with investors: "China Tech", "AI & Big Data" and "Cybersecurity" entered the top five themes by inflows.

+ In contrast, green themes led the outflows: "Sustainable Energy Production" and "Sustainable Resource Management" recorded the largest outflows in May. Themes within the "Environmental Pressures" cluster generally experienced outflows, with the exception of "Nuclear", which saw inflows of around \$50 million in May, buoyed by its strong performance.

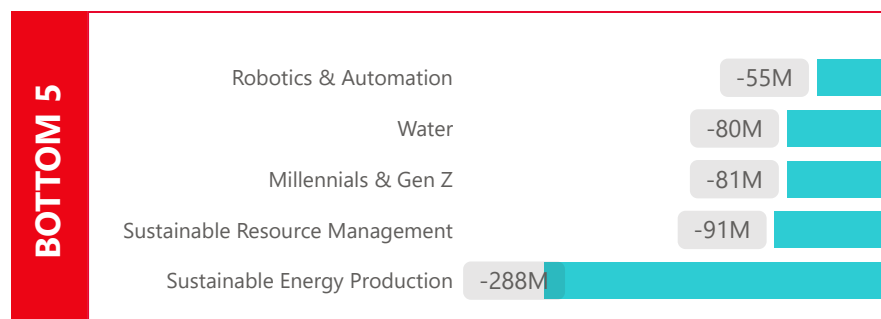
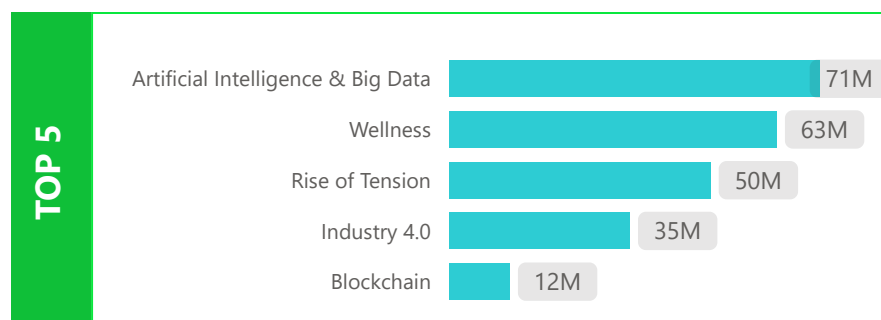
Month-on-month thematic flows



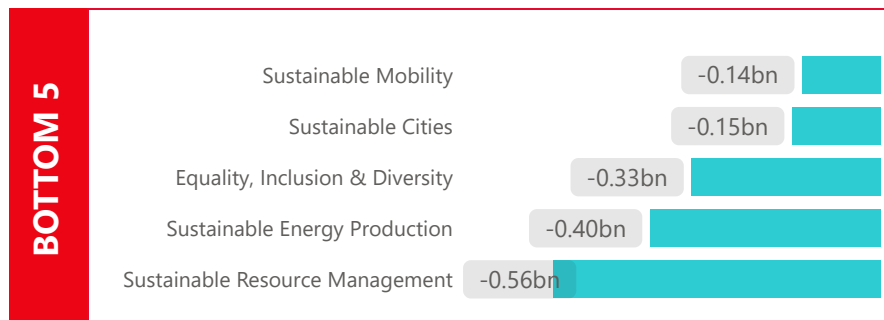
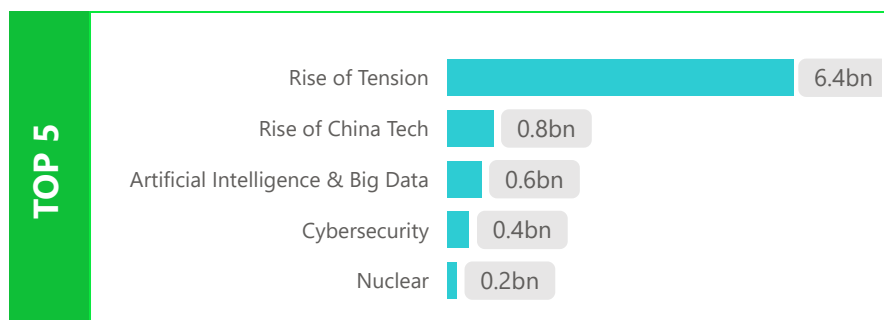
May Top/Bottom flows in Europe ETFs



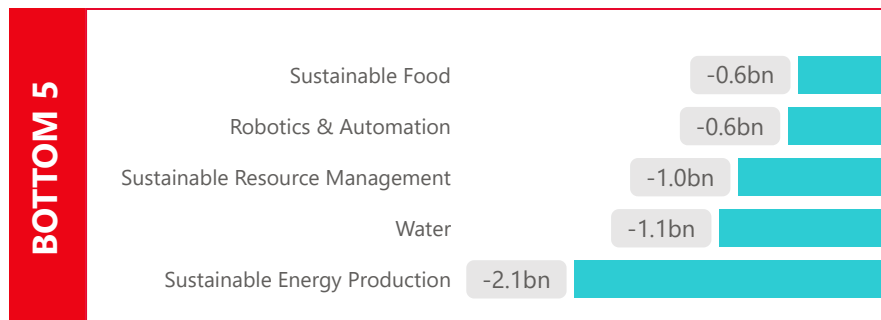
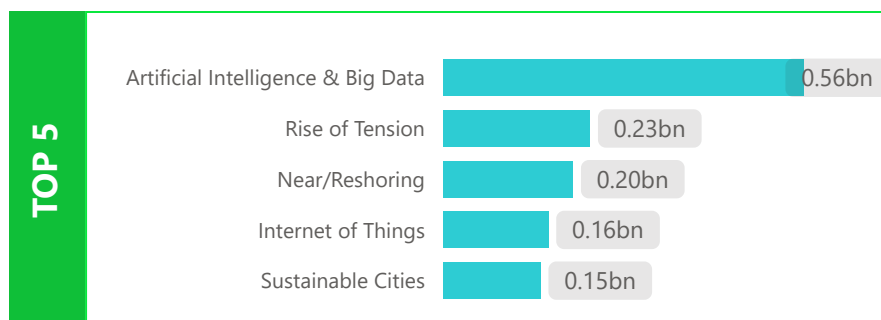
May Top/Bottom flows in Mutual Funds



YTD Top/Bottom flows in Europe ETFs



YTD Top/Bottom flows in Mutual Funds



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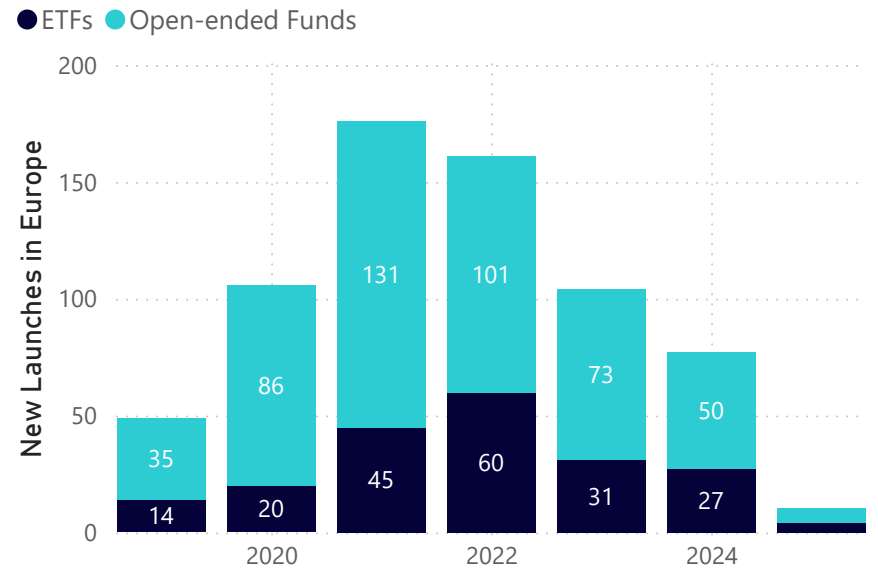
Thematic performance and launches in Europe

+ Thematic funds delivered strong performance in May, with 24 themes outperforming the MSCI ACWI (+5.5%) and only two themes closing the month with negative returns.

+ Tech themes dominated, with seven of the top ten performing themes belonging to the "Technological Shifts" cluster. "Blockchain", "Semiconductors" and "Industry 4.0" featured among the top five performers. However, "Nuclear" outperformed all others, achieving the highest return in May thanks to tailwinds from President Trump's executive orders to expand US nuclear power capacity. "Rise of Tension", the leading theme in year-to-date flows, also ranked among the top five performers. "Semiconductors", which was hit by DeepSeek's January release, posted a strong 12.6% return in May, improving its year-to-date return to -1.3%, nearly offsetting the earlier setback. "AI & Big Data" also recovered from earlier weakness, generating a 10.0% return in May and lifting its year-to-date return into positive territory at 1.2%.

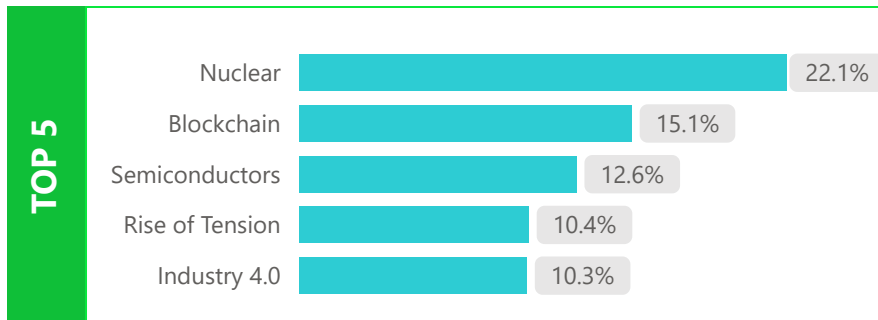
+ At the other end of the spectrum, "HealthTech" was the weakest theme both in May and year to date, declining by 1.9% in May and dragging its year-to-date return to -4.0%.

Yearly thematic launches in Europe*

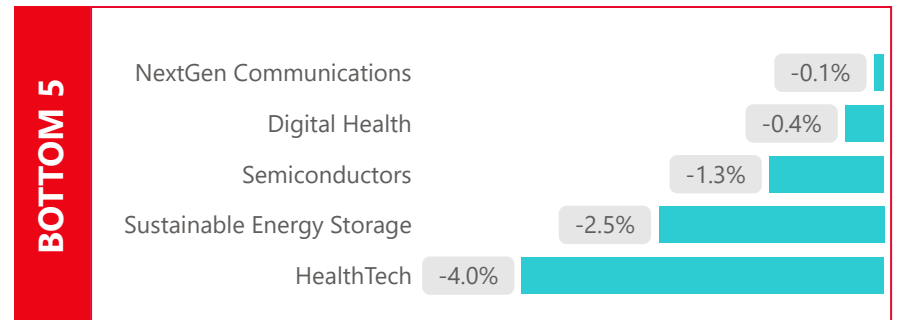
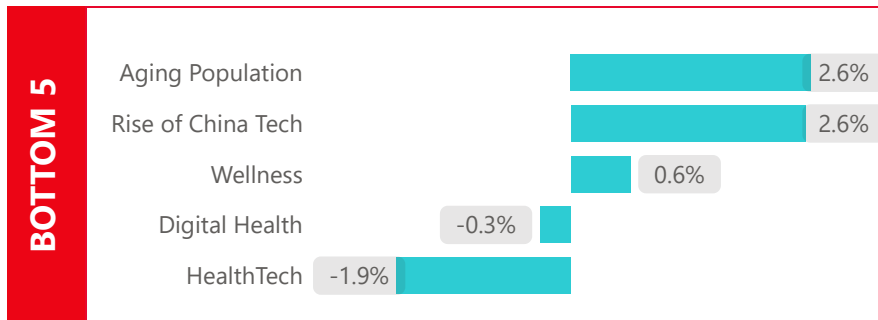
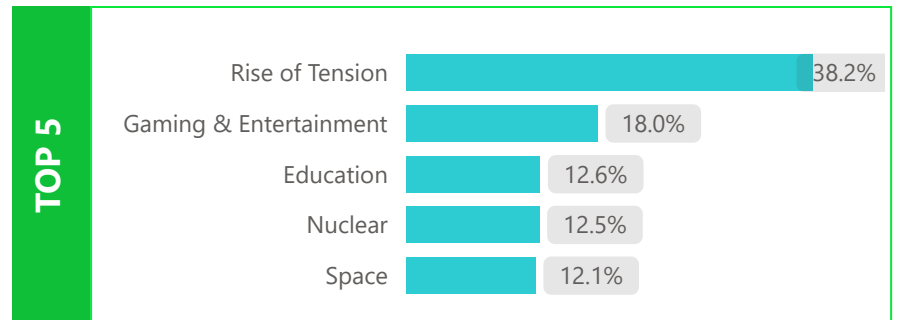


* New launches are updated quarterly

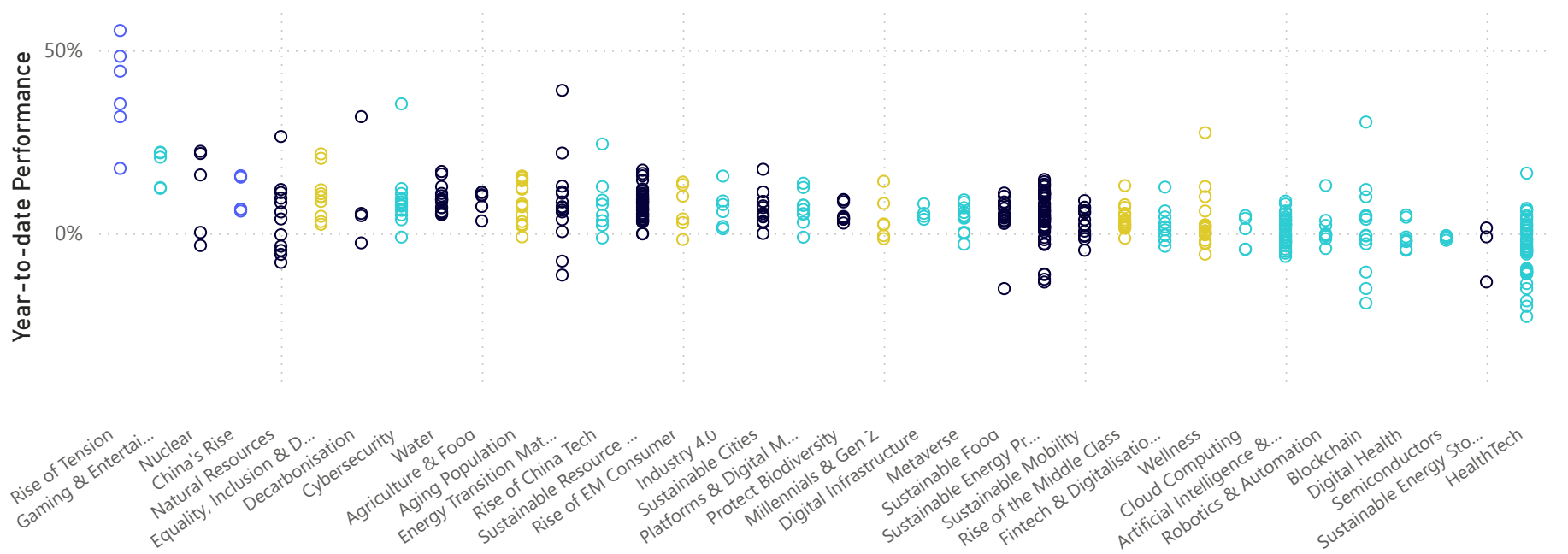
Top 5/Bottom 5 by performance in May



Top 5/Bottom 5 by YTD performance

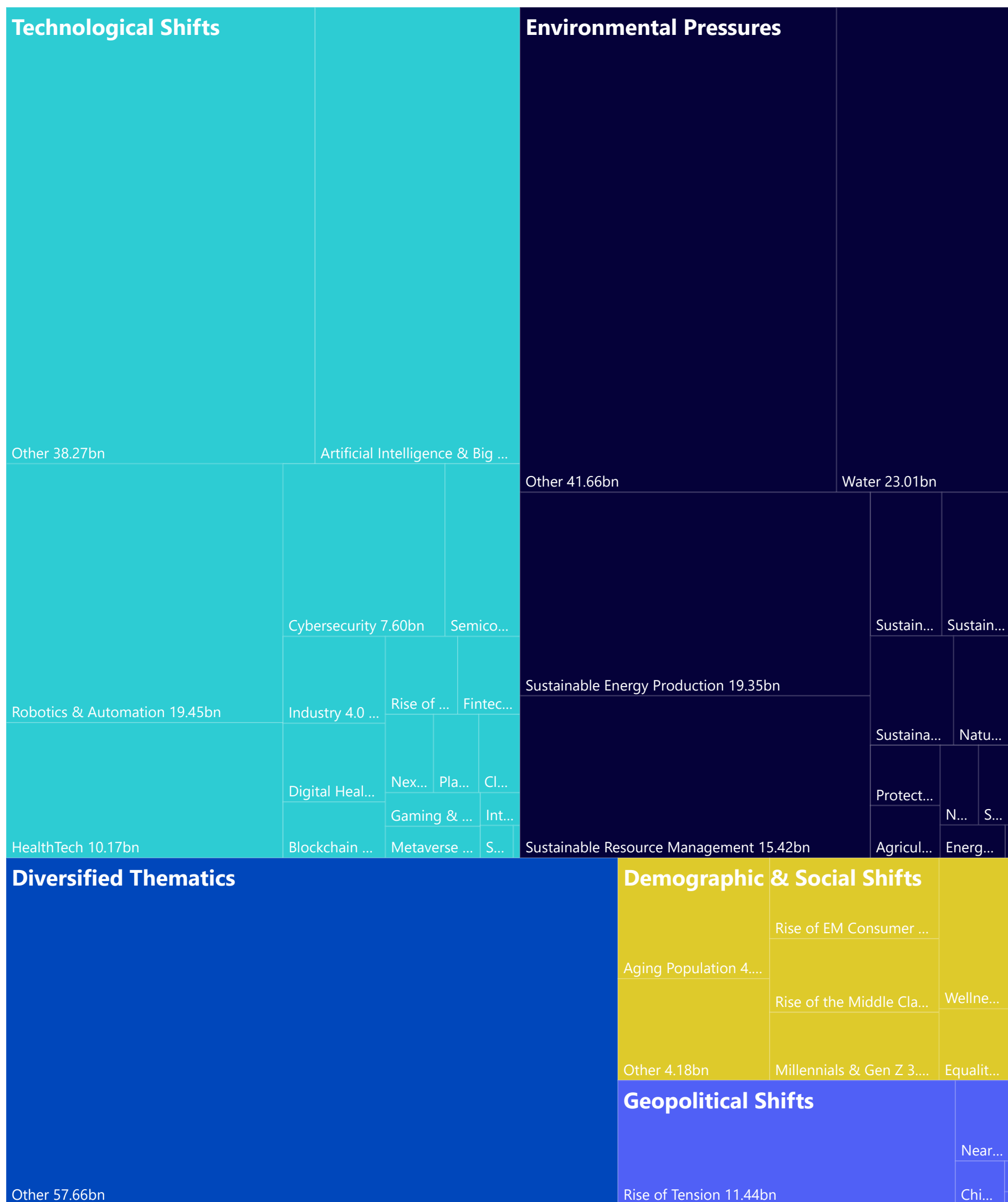


Dispersion of YTD performance of all ETFs and mutual funds by themes in Europe



Source: WisdomTree, Morningstar, Bloomberg. All data as of 31/05/2025 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 31/05/2025 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		13,050.87M	-105.59M	-511.39M
Technological Shifts	Disruptive Technologies	16,158.66M	-36.67M	-394.14M
Technological Shifts	HyperConnectivity & Digitalisation	9,061.02M	3.25M	-124.64M
Environmental Pressures		2,260.15M	-62.98M	-314.73M
Environmental Pressures	Climate Change & Sustainability	39,300.68M	-211.75M	-2,038.03M
Environmental Pressures	Limited Resources	94.80M	0.24M	2.20M
Diversified Thematics		57,659.14M	631.95M	710.83M
Demographic & Social Shifts		1,078.57M	-27.66M	-50.74M
Demographic & Social Shifts	Demographic Shifts	3,106.38M	13.31M	140.54M

Appendix - Theme focused ETFs and Open-ended funds

Theme Name	AuM (\$)	Flows Last Month (\$)	Flows YTD (\$)	Performance Last Month	Performance YTD
Rise of Tension	11,440.96M	1,320.74M	6,586.88M	10.4%	38.2%
Rise of China Tech	1,527.58M	234.12M	842.20M	2.6%	7.9%
Artificial Intelligence & Big Data	25,396.14M	199.51M	1,187.34M	10.0%	1.2%
Cybersecurity	7,595.91M	113.81M	390.78M	8.0%	9.0%
Blockchain	1,557.22M	63.36M	227.54M	15.1%	1.0%
Aging Population	4,970.72M	62.11M	-31.46M	2.6%	8.4%
Wellness	2,957.90M	59.00M	-115.65M	0.6%	2.4%
Gaming & Entertainment	867.18M	57.06M	61.58M	7.4%	18.0%
Nuclear	829.90M	49.70M	175.59M	22.1%	12.5%
Industry 4.0	2,415.53M	34.67M	53.83M	10.3%	7.0%
Space	291.91M	14.48M	112.89M	8.6%	12.1%
Protect Biodiversity	1,142.29M	8.88M	40.32M	4.4%	6.2%
Semiconductors	3,515.30M	8.56M	-62.11M	12.6%	-1.3%
Rise of the Middle Class	3,382.72M	2.36M	-147.10M	6.5%	3.1%
Global Logistics	24.89M	0.35M	1.82M	6.2%	2.9%
Decarbonisation	54.62M	0.26M	-0.69M	7.0%	9.4%
Education			-54.36M	6.4%	12.6%
Political Polarisation	56.19M	0.00M	0.04M	5.2%	8.4%
Digital Infrastructure	59.31M	-0.78M	-3.96M	2.9%	5.5%
China's Rise	591.65M	-0.78M	-14.33M	4.3%	10.0%
Energy Transition Materials	583.11M	-2.72M	53.26M	4.4%	8.0%
Cloud Computing	876.26M	-5.19M	2.67M	8.9%	1.5%
Internet of Things	353.40M	-6.81M	163.42M	8.4%	0.7%
Sustainable Energy Storage	711.38M	-7.30M	-90.58M	5.0%	-2.5%
Platforms & Digital Markets	963.13M	-7.93M	-69.06M	6.5%	6.7%
Rise of EM Consumer	3,709.31M	-8.88M	-167.68M	2.9%	7.1%
Near/Reshoring	1,225.07M	-9.37M	202.05M	9.4%	1.4%
Sustainable Cities	2,709.88M	-13.77M	-1.27M	5.7%	6.8%
Metaverse	814.43M	-14.11M	-3.40M	9.4%	5.3%
Agriculture & Food	993.73M	-14.51M	-117.95M	4.9%	9.2%
Digital Health	2,185.28M	-16.89M	-170.90M	-0.3%	-0.4%
Natural Resources	1,714.04M	-28.14M	-28.48M	6.7%	9.8%
NextGen Communications	1,023.35M	-33.46M	-91.67M	7.8%	-0.1%
Sustainable Food	2,784.17M	-34.28M	-580.63M	3.1%	4.9%
Fintech & Digitalisation of Finance	1,318.32M	-34.65M	-143.53M	7.8%	2.6%
Robotics & Automation	19,454.83M	-39.94M	-694.17M	9.3%	1.1%
Sustainable Mobility	2,466.60M	-41.92M	-383.12M	6.9%	3.8%
Water	23,008.04M	-49.62M	-1,083.14M	3.7%	9.3%
HealthTech	10,171.83M	-49.97M	-607.86M	-1.9%	-4.0%
Millennials & Gen Z	3,131.66M	-81.50M	-343.26M	5.6%	5.9%
Equality, Inclusion & Diversity	1,402.62M	-85.60M	-329.86M	4.9%	9.5%
Sustainable Resource Management	15,421.33M	-158.37M	-1,521.76M	5.2%	7.5%
Sustainable Energy Production	19,347.86M	-327.45M	-2,454.89M	7.9%	4.5%

Source: WisdomTree, Morningstar, Bloomberg. All data as of 31/05/2025 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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