

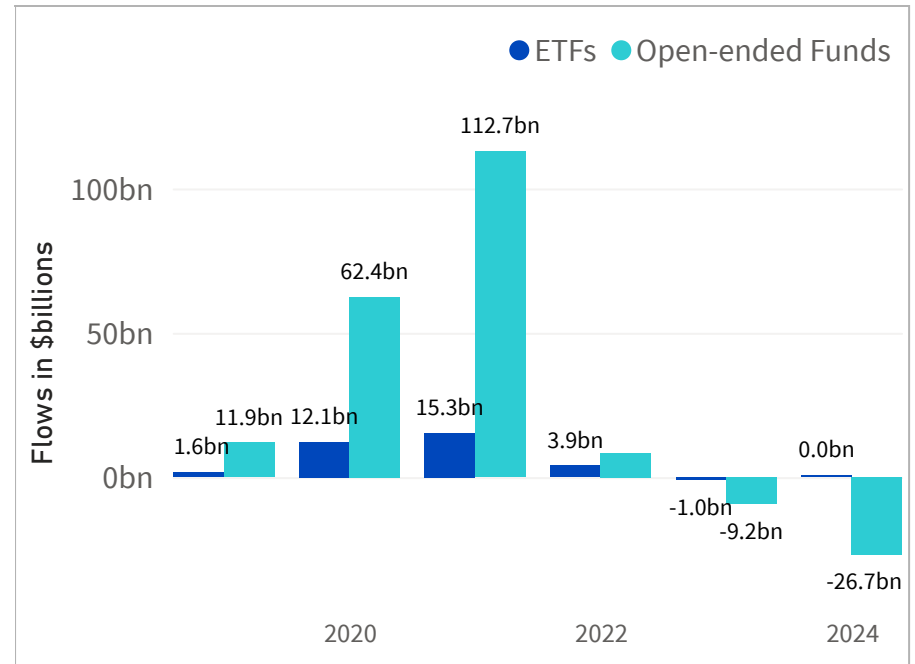
WisdomTree European thematic monthly update

October 2024

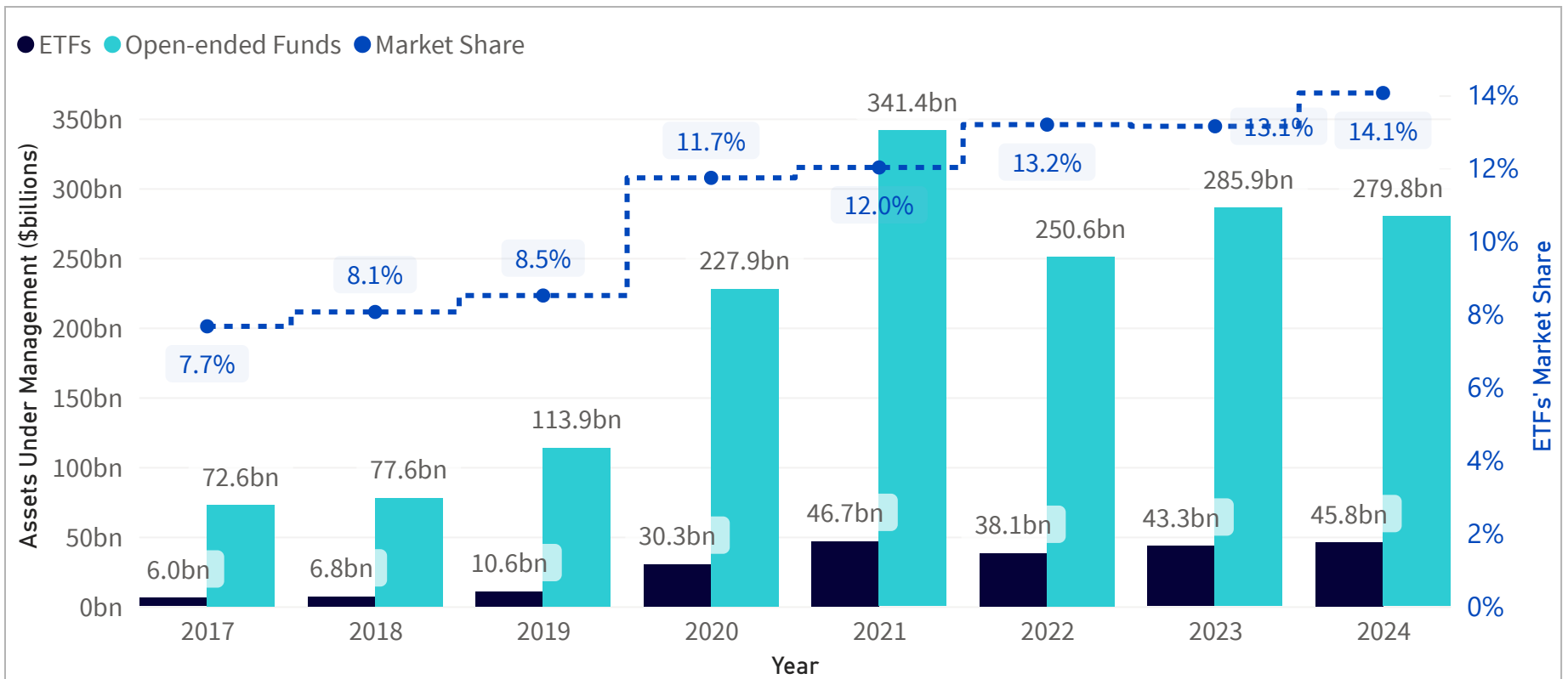
Thematic universe overview

- + AUM in Europe-domiciled thematic ETFs and open-ended funds fell to \$325.5 billion in October, driven by both negative performance and outflows. ETFs' market share marginally increased to 14.1%, with a total AUM of \$45.8 billion.
- + After strong performance in September, most themes posted negative returns in October. Only eight themes achieved positive returns, and 18 themes outperformed the MSCI ACWI which declined by 2.2% over the month. "Blockchain" theme rose by 6.6% in October, making it the best-performing theme for both the month and the past 12 months. Conversely, the "Rise of EM Consumer" theme declined by 6.9%, making it the worst-performing theme for the month.
- + Thematic ETFs saw outflows of \$88 million in October, although this was lower than the \$917 million of outflows recorded in September. Thematic open-ended funds also saw outflows of \$2.8 billion in October. Notably, open-ended funds have experienced 11 consecutive months of net outflows, bringing YTD outflows to \$26.7 billion. The "Geopolitical Shifts" cluster saw the highest inflows, gaining \$256 million in October, while the "Environmental Pressures" cluster experienced the largest outflows, losing \$1.6 billion over the same period.

Recent yearly flows in Europe



Europe-domiciled thematic AUM evolution and ETFs' market share



Source: WisdomTree, Morningstar, Bloomberg. All data as of 31/10/2024 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.**

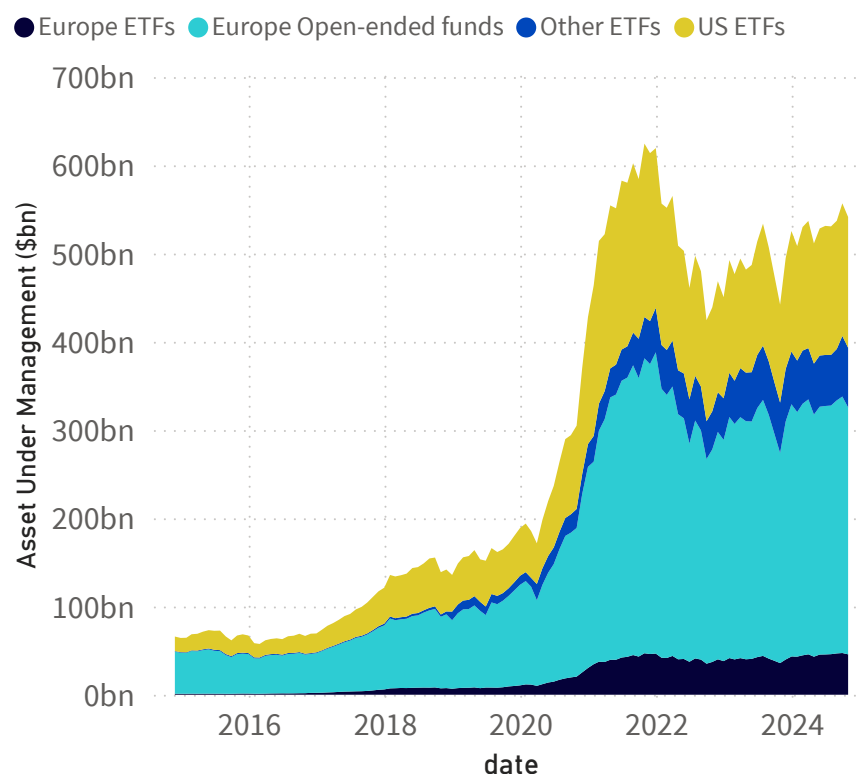
Thematic universe overview (continued)

+ The combined AUM in global thematic ETFs and open-ended funds slightly decreased to \$541.3 billion in October. After reaching a record high on a monthly basis in September, AUM in European thematic ETFs also declined to \$45.8 billion in the following month.

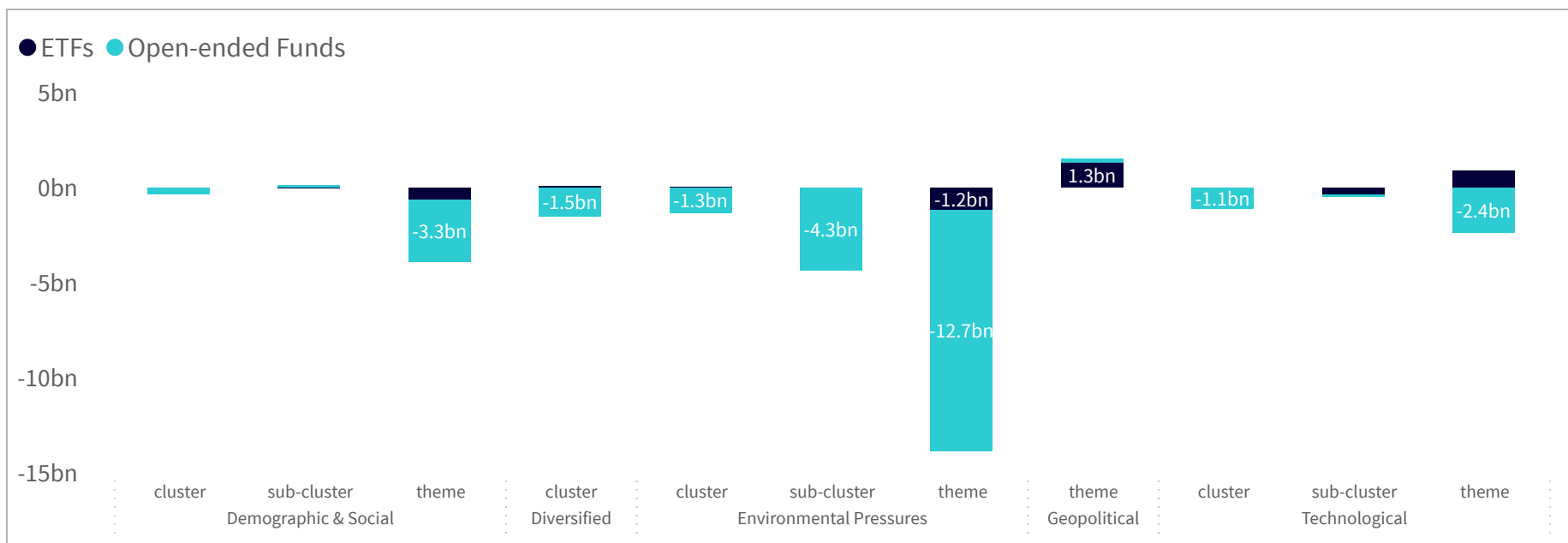
+ In Europe, the “Environmental Pressures” cluster experienced the highest outflows in October, with \$1.6 billion exiting thematic ETFs and open-ended funds. Year-to-date, thematic ETFs and open-ended funds have seen total outflows of \$26.7 billion, of which \$19.5 billion came from "Environmental Pressures." The "Technological Shifts" group recorded \$1.4 billion in outflows in October, making it the second-worst group in terms of flows for the month.

+ As of the end of October 2024, "Environmental Pressures" remained the largest thematic cluster in Europe, with \$126.0 billion in assets, closely followed by "Technological Shifts" at \$116.2 billion. The sustained year-to-date outflows from “Environmental Pressures” have narrowed the gap between the two groups.

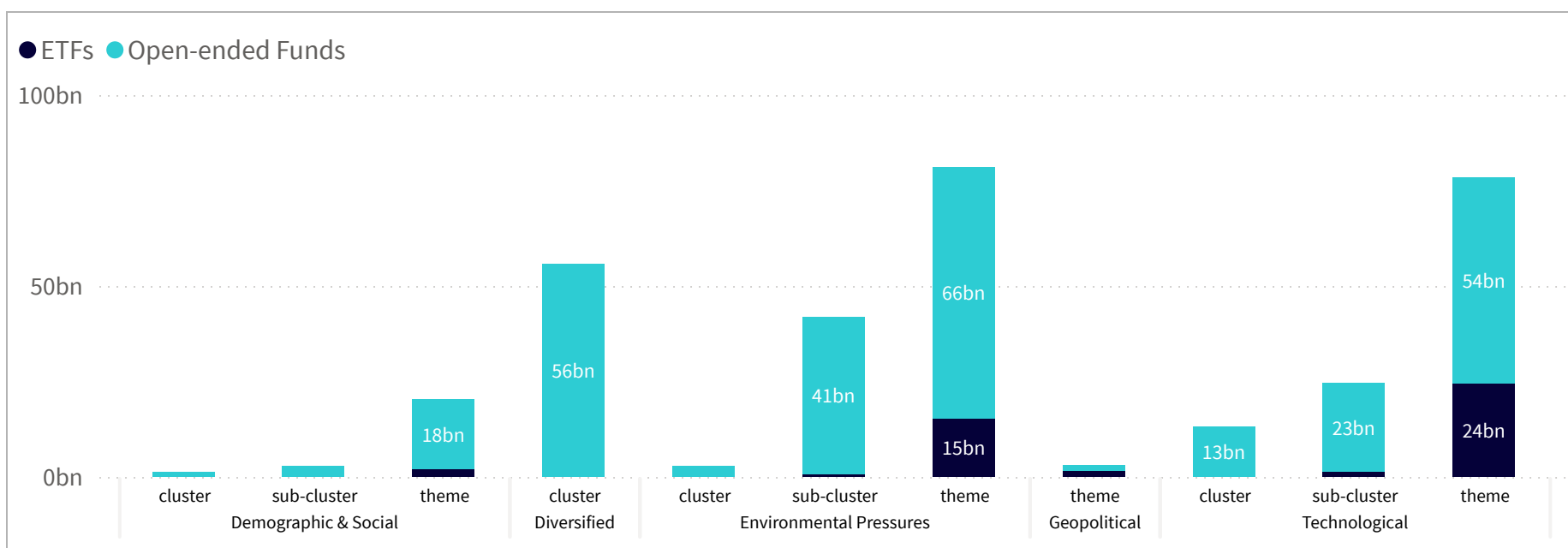
AuM in Thematics by region (Last 10Y)



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 31/10/2024 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.**

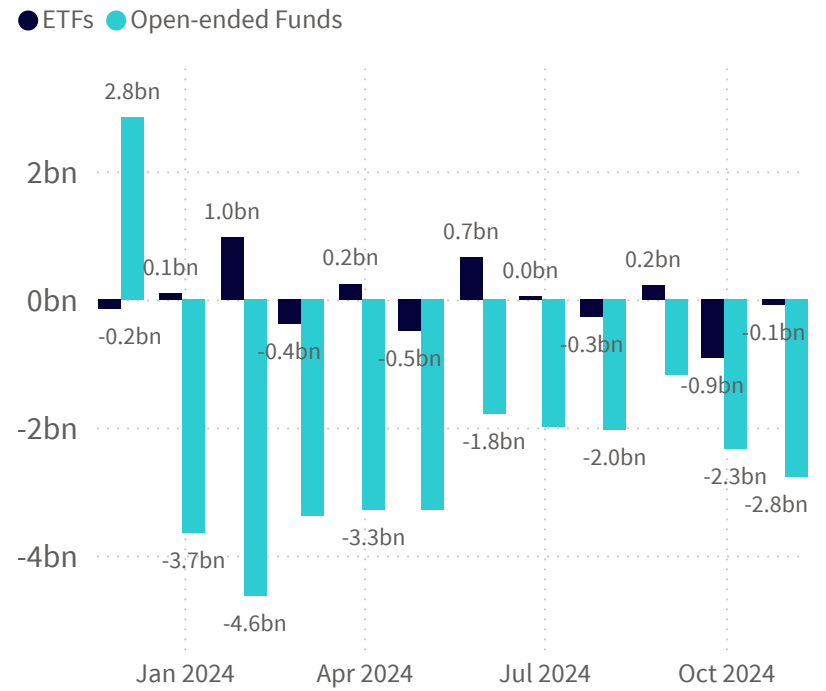
Thematic flows in Europe

+ October saw negative flows in open-ended funds (-\$2.8 billion), marking the largest monthly outflows since April 2024. Flows for ETFs were also negative at -\$88 million, though an improvement from -\$0.9 billion in September. The “Geopolitical Shifts” cluster attracted the most inflows at \$256 million, while “Environmental Pressures” saw the largest outflows in the month.

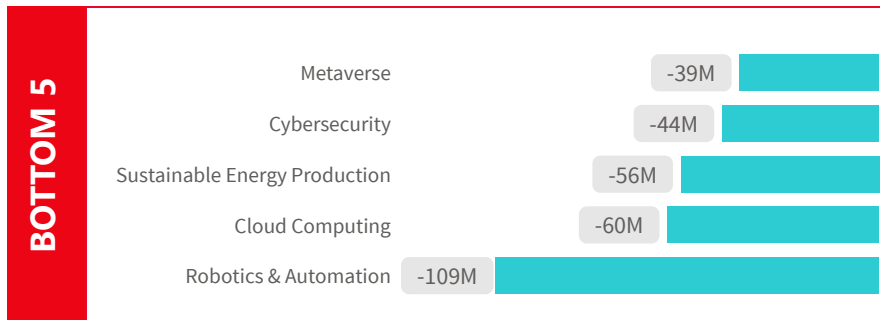
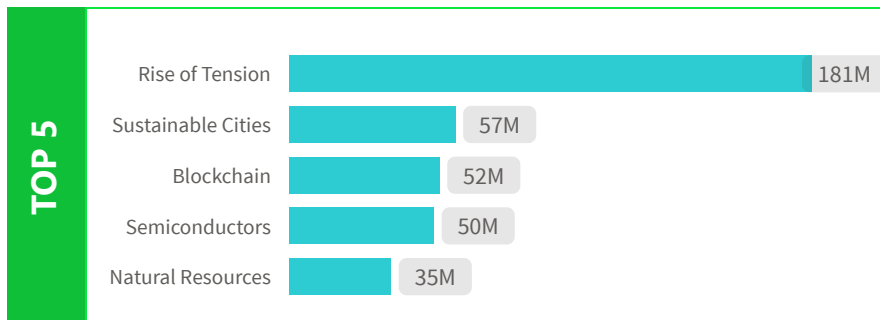
+ The “Rise of Tension” theme led inflows again in October with \$180.6 million, maintaining its position among the top three themes for YTD flows. “Near/Reshoring,” also within the “Geopolitical Shifts” group, gained \$95.2 million in inflows, ranking second for the month. Despite underperforming the market, “Semiconductors” still attracted \$50 million in inflows, bringing its YTD inflows to \$1.5 billion and surpassing “AI and Big Data” to become the theme with the largest inflows YTD.

+ “Sustainable Energy Production” continued to lead outflows in October with \$569.5 million, taking its YTD outflows to \$7.3 billion—significantly more than any other theme. “Robotics & Automation” followed with \$386.4 million in outflows, making it the second-worst theme for flows in October and placing it among the bottom three for YTD flows. “AI and Big Data” also saw outflows of \$125 million. The stronger inflows into the niche “Semiconductors” theme, compared to broader themes like “AI and Big Data” and “Robotics & Automation,” reflect investors' targeted focus on AI infrastructure within the AI megatrend.

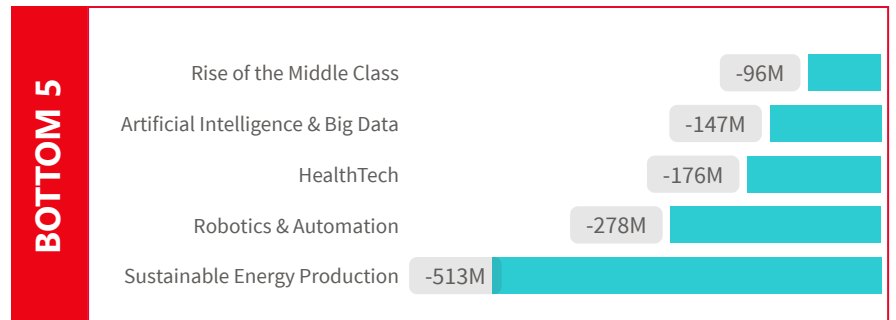
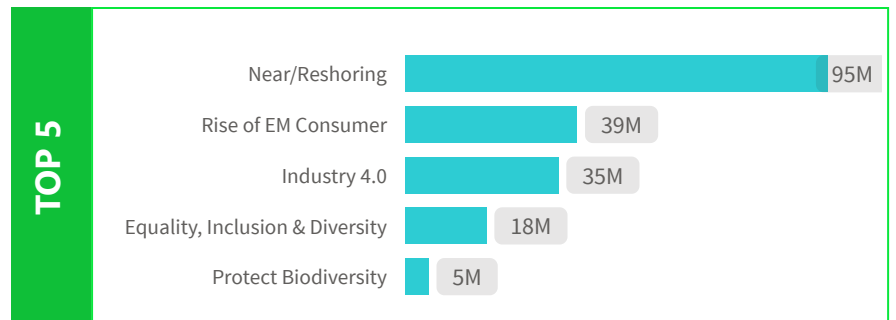
Month-on-month thematic flows



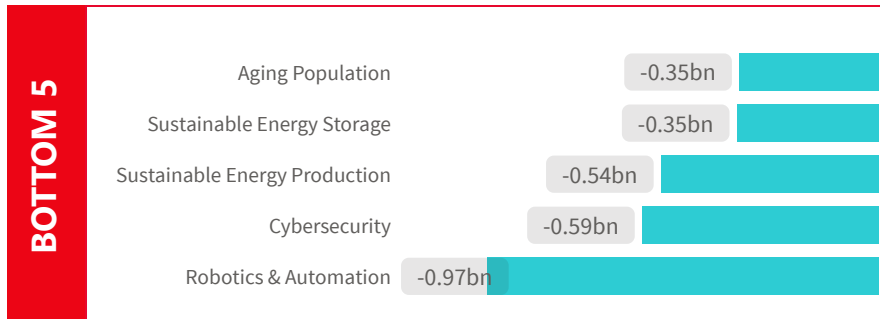
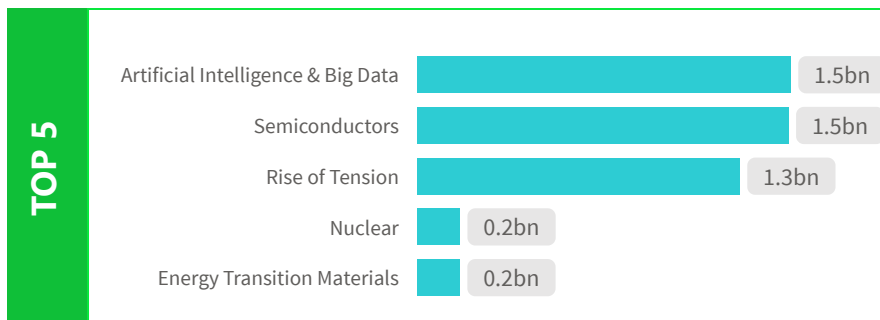
October Top/Bottom flows in Europe ETFs



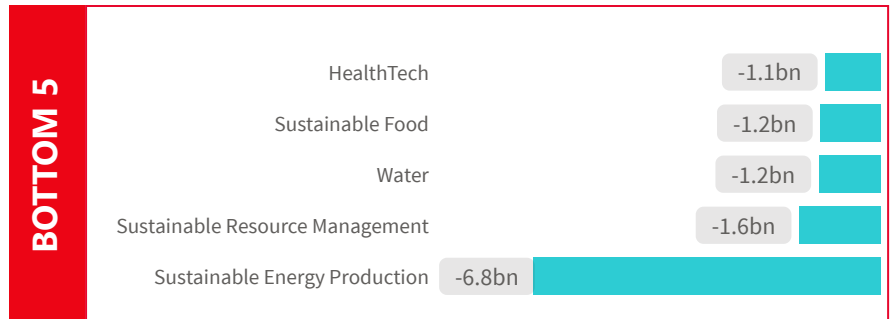
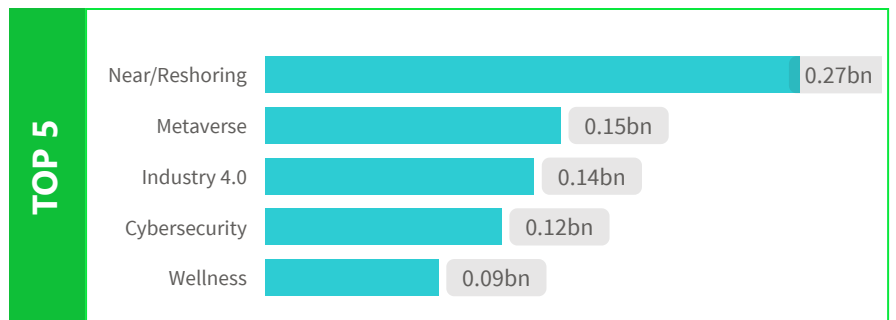
October Top/Bottom flows in Mutual Funds



YTD Top/Bottom flows in Europe ETFs



YTD Top/Bottom flows in Mutual Funds



Source: WisdomTree, Morningstar, Bloomberg. All data as of 31/10/2024 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.**

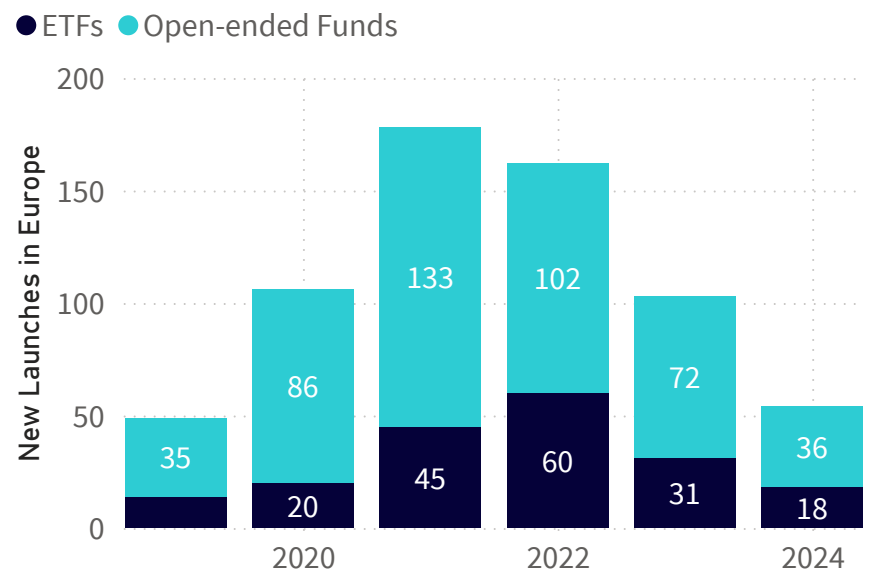
Thematic performance and launches in Europe

+ In October, themes generally posted negative returns, with only eight themes achieving positive returns, 5 of which were within “Technological Shifts” group.

+ “Blockchain” benefited from Bitcoin’s strong performance and synergies between crypto miners and data centres, posting a return of 6.6% and becoming the best-performing theme for October. “Nuclear” continued its strong performance, returning 5.8% and ranking as the 2nd-best theme for the month. After several months of weak performance, “Cloud Computing” rebounded slightly, returning 3.4% in October and rounding out the top three themes.

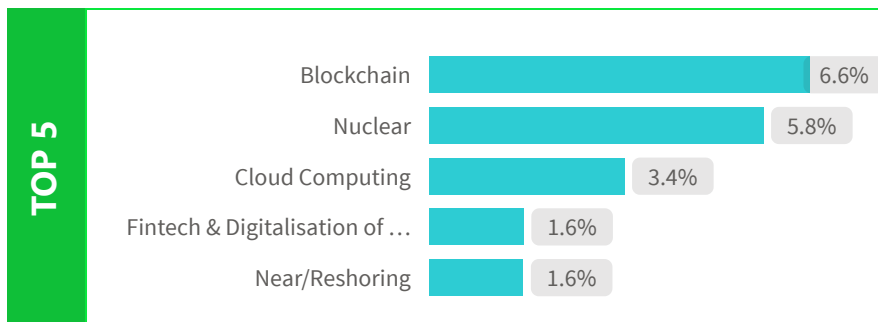
+ The “Rise of EM Consumer” theme was the worst performer in October, with a return of -6.9%. “Sustainable Energy Production,” a frequent presence among the bottom three themes, was the second-worst performer this month, declining by 6.2%. Other green themes, such as “Agriculture & Food” and “Decarbonisation,” were also among the bottom five, posting returns of -4.5% and -6.0%, respectively. “Digital Infrastructure,” a theme focused primarily on tech real estate like data centres, was negatively impacted by rising interest rates and returned -5.1% in the month - the 10 year US government bond yield increased by around 70 bps from its September low to the end of October.

Yearly thematic launches in Europe*

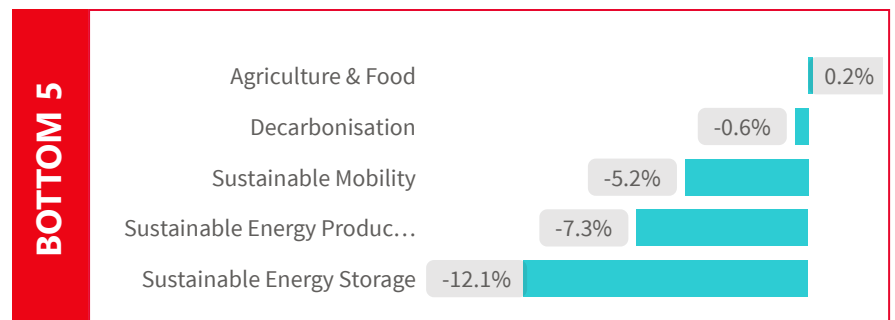
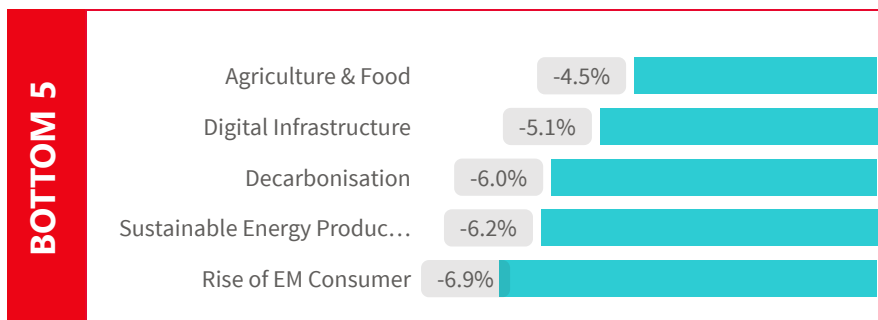
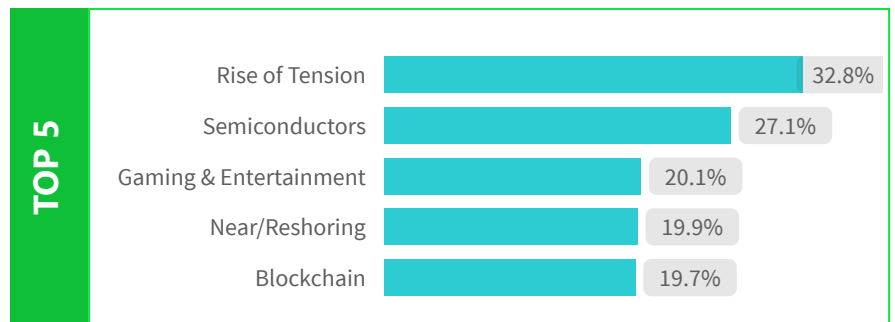


* New launches are updated quarterly

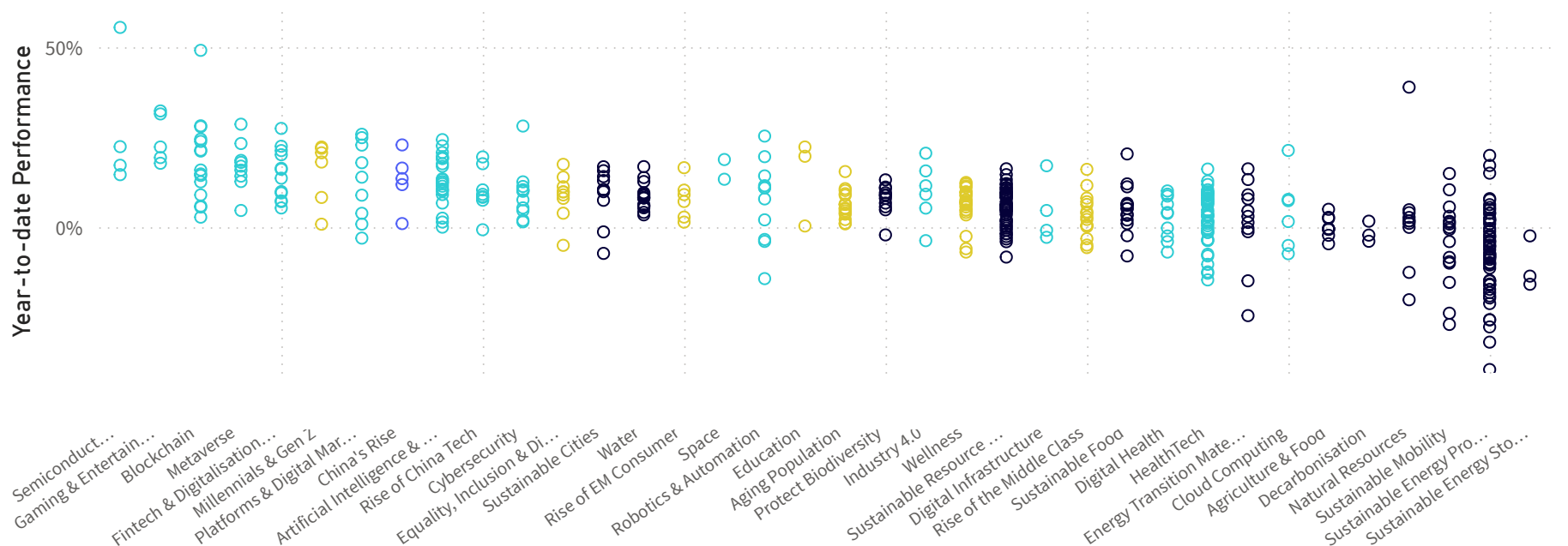
Top 5/Bottom 5 by performance in October



Top 5/Bottom 5 by YTD performance

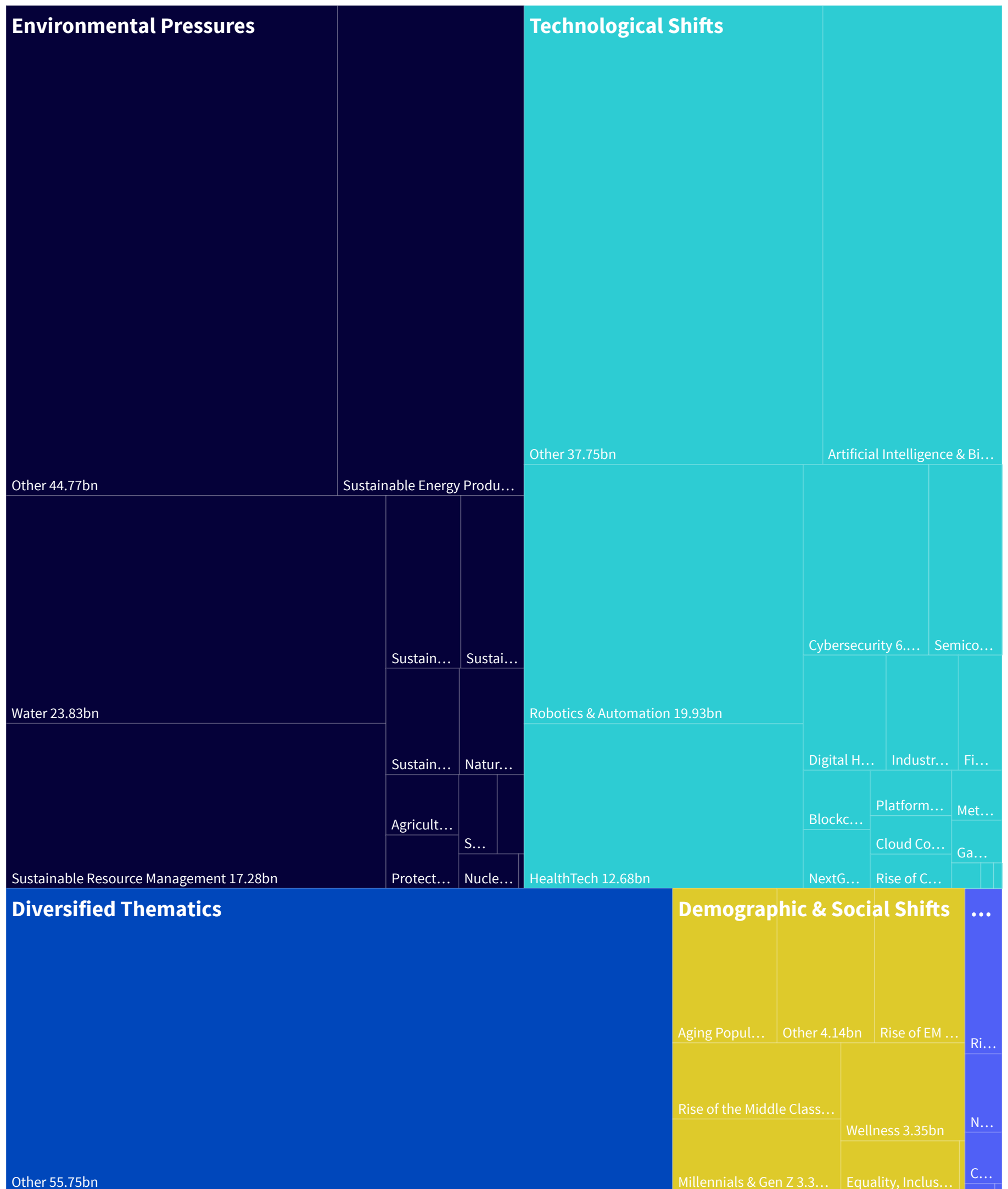


Dispersion of YTD performance of all ETFs and mutual funds by themes in Europe



Source: WisdomTree, Morningstar, Bloomberg. All data as of 31/10/2024 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 31/10/2024 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		13,287.16M	-14.73M	-1,122.36M
Technological Shifts	Disruptive Technologies	15,932.89M	-194.37M	-712.56M
Technological Shifts	HyperConnectivity & Digitalisation	8,526.75M	-262.59M	237.67M
Environmental Pressures		2,893.06M	-52.33M	-1,303.41M
Environmental Pressures	Climate Change & Sustainability	41,782.80M	-677.56M	-4,432.52M
Environmental Pressures	Limited Resources	90.25M	2.58M	80.97M
Diversified Thematics		55,753.44M	98.80M	-1,428.72M
Demographic & Social Shifts		1,270.00M	-42.45M	-356.06M
Demographic & Social Shifts	Demographic Shifts	2,866.27M	-11.53M	98.82M
Demographic & Social Shifts	Social Shifts			-9.40M

Appendix - Theme focused ETFs and Open-ended funds

Theme Name	AuM (\$)	Flows Last Month (\$)	Flows YTD (\$)	Performance Last Month	Performance YTD
Blockchain	1,095.01M	52.79M	45.59M	6.6%	19.7%
Nuclear	573.51M	33.78M	174.07M	5.8%	11.6%
Cloud Computing	857.36M	-60.03M	-134.77M	3.4%	0.7%
Fintech & Digitalisation of Finance	1,380.31M	-9.45M	-247.01M	1.6%	14.6%
Near/Reshoring	803.56M	95.21M	268.87M	1.6%	19.9%
Rise of Tension	1,686.90M	180.63M	1,323.06M	0.7%	32.8%
Cybersecurity	6,600.25M	-67.34M	-467.88M	0.4%	9.9%
Artificial Intelligence & Big Data	22,653.71M	-125.15M	1,379.78M	0.2%	14.5%
Metaverse	696.16M	-34.30M	288.86M	-0.3%	17.2%
Education	75.87M	-3.96M	-257.25M	-0.8%	6.6%
NextGen Communications	1,093.93M	-47.27M	-254.40M	-0.8%	16.4%
Internet of Things	205.04M	-10.37M	53.11M	-1.0%	4.4%
Space	91.00M	7.44M	32.98M	-1.0%	7.9%
Gaming & Entertainment	591.15M	-16.24M	-173.24M	-1.2%	20.1%
Platforms & Digital Markets	1,016.53M	-97.19M	-585.96M	-1.2%	14.4%
Robotics & Automation	19,934.74M	-386.39M	-1,412.37M	-1.4%	8.8%
Natural Resources	1,893.73M	18.90M	-250.67M	-1.8%	0.9%
Millennials & Gen Z	3,393.63M	-64.47M	-469.45M	-1.9%	14.9%
Industry 4.0	2,290.34M	34.51M	122.43M	-2.5%	6.7%
Semiconductors	3,842.00M	50.02M	1,523.36M	-2.6%	27.1%
Global Logistics	17.05M	-3.43M	-10.96M	-3.1%	2.6%
HealthTech	12,677.79M	-186.91M	-1,330.44M	-3.1%	2.6%
Rise of China Tech	768.84M	-16.10M	6.83M	-3.2%	10.8%
Sustainable Cities	2,146.14M	17.03M	-272.65M	-3.3%	9.4%
Protect Biodiversity	1,069.02M	5.27M	-19.52M	-3.3%	6.8%
Equality, Inclusion & Diversity	1,679.96M	53.10M	-378.28M	-3.3%	9.5%
Sustainable Energy Storage	843.08M	-36.62M	-414.07M	-3.5%	-12.1%
Energy Transition Materials	584.93M	-5.65M	222.78M	-3.7%	2.7%
Political Polarisation	71.86M	0.00M	32.98M	-3.7%	6.0%
Aging Population	4,444.45M	-73.09M	-1,072.25M	-3.8%	6.4%
Sustainable Mobility	3,012.75M	-128.64M	-1,358.79M	-3.8%	-5.2%
Rise of the Middle Class	3,530.70M	-101.30M	-1,007.80M	-4.1%	3.2%
Water	23,828.67M	-74.55M	-1,151.25M	-4.1%	8.3%
Wellness	3,351.85M	-47.89M	147.38M	-4.1%	5.5%
Sustainable Food	3,557.36M	-44.52M	-1,238.97M	-4.2%	3.3%
China's Rise	523.65M	-16.51M	-79.35M	-4.2%	13.6%
Sustainable Resource Management	17,284.96M	-47.76M	-1,700.85M	-4.3%	5.6%
Digital Health	2,629.01M	-4.00M	-369.13M	-4.4%	3.0%
Agriculture & Food	1,210.13M	-23.16M	-542.20M	-4.5%	0.2%
Digital Infrastructure	58.81M	1.87M	4.07M	-5.1%	4.4%
Decarbonisation	52.09M	-0.36M	-5.40M	-6.0%	-0.6%
Sustainable Energy Production	25,176.04M	-569.53M	-7,302.60M	-6.2%	-7.3%
Rise of EM Consumer	3,841.63M	38.73M	-885.04M	-6.9%	8.3%

Source: WisdomTree, Morningstar, Bloomberg. All data as of 31/10/2024 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 - 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	
	Social Media & Media						

Source: WisdomTree, as of 31/12/2023

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WisdomTree European Thematic Monthly Update

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