

WisdomTree European thematic monthly update

June 2024

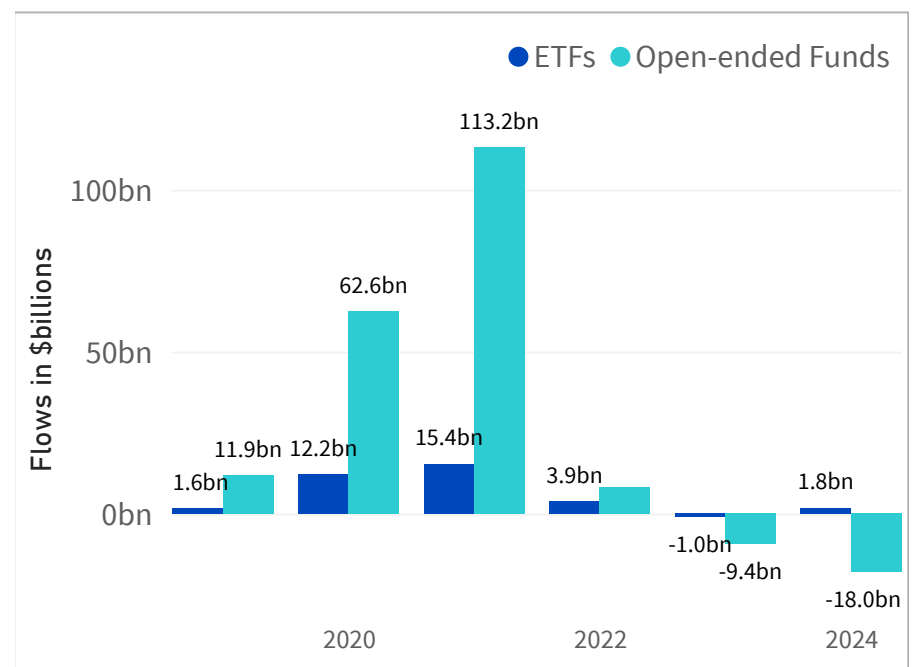
Thematic universe overview

+ In June, the AUM in thematic Exchange Traded Funds (“ETFs”) and open-ended funds saw a marginal increase, reaching \$328.2 billion. Despite witnessing outflows of \$8.3 billion, the funds’ positive performance managed to offset the losses. Consequently, the market share of ETFs rose to 14.2%, amounting to a total AUM of \$46.5 billion.

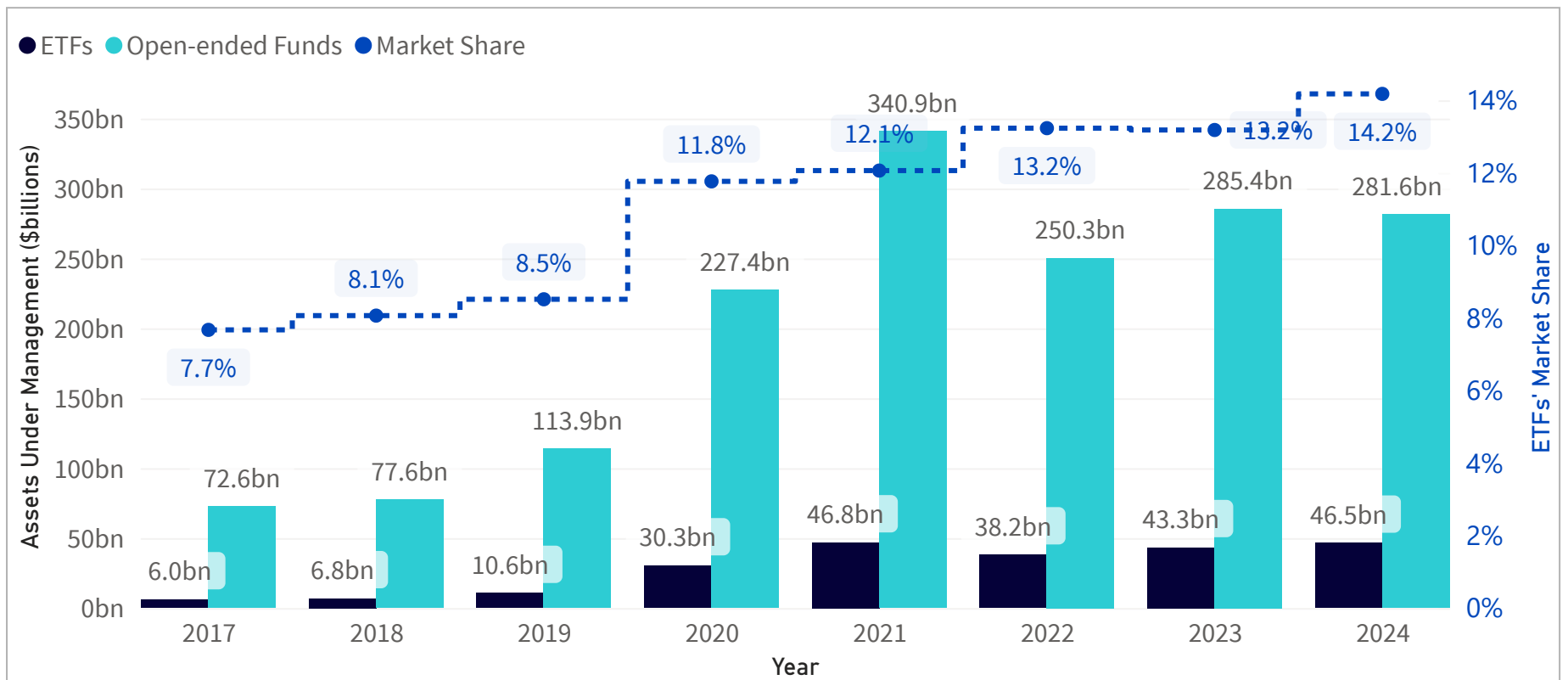
+ Performance varied across themes in June, following a general rebound in May. Ten themes outperformed the MSCI ACWI at 2.2%, nine of which belonged to the “Technological Shifts” cluster. The “Semiconductors” theme maintained its strong YTD performance, emerging as the best performer in both June and the YTD period. On the other hand, the “Nuclear” theme, despite its strong performance earlier this year, declined by 10.4%, making it the worst-performing theme of the month.

+ In June, European thematic ETFs attracted \$817 million in inflows, with all five clusters recording positive flows. The “Environmental Pressures” amassed the highest flows, at \$295 million. However, thematic open-ended funds experienced \$1.6 billion in outflows, with the “Environmental Pressures” contributing \$1.0 billion. This pattern was also observed QTD, with ETFs in the “Environmental Pressures” seeing inflows, while the open-ended funds recorded outflows.

Recent yearly flows in Europe



Europe-domiciled thematic AUM evolution and ETFs’ market share



Source: WisdomTree, Morningstar, Bloomberg. All data as of 30/06/2024 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.**

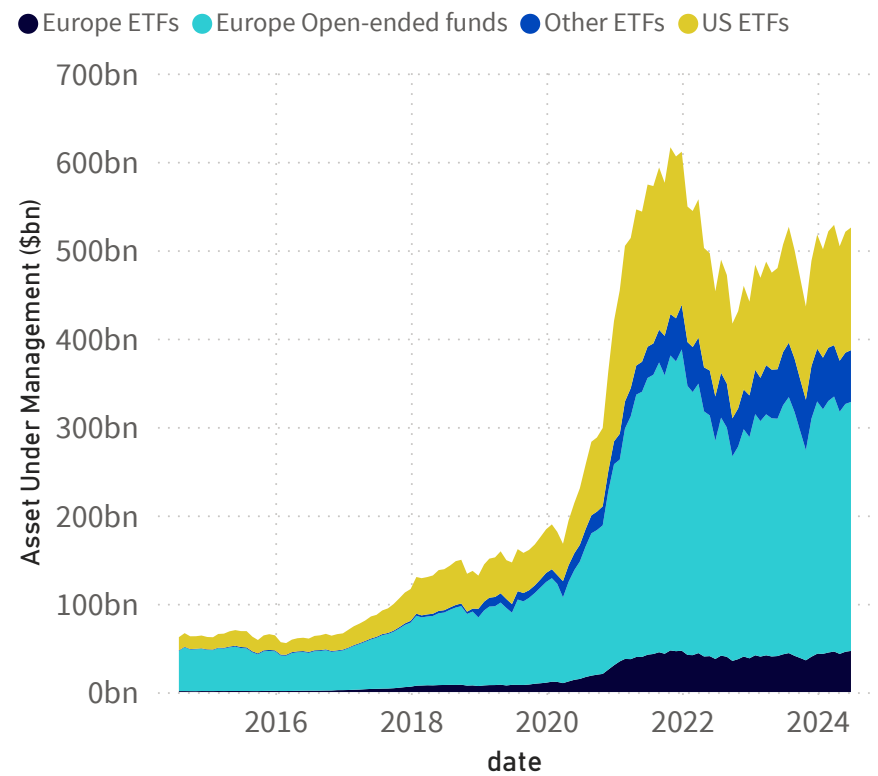
Thematic universe overview (continued)

+ The joint AUM in global thematic ETFs and open-ended funds in Europe rose by 0.9% to \$525 billion in June, marking a gradual recovery from the April dip. However, it still remained lower than the Q1 2024 level. The AUM in thematic ETFs in Europe reached its highest level since December 2021.

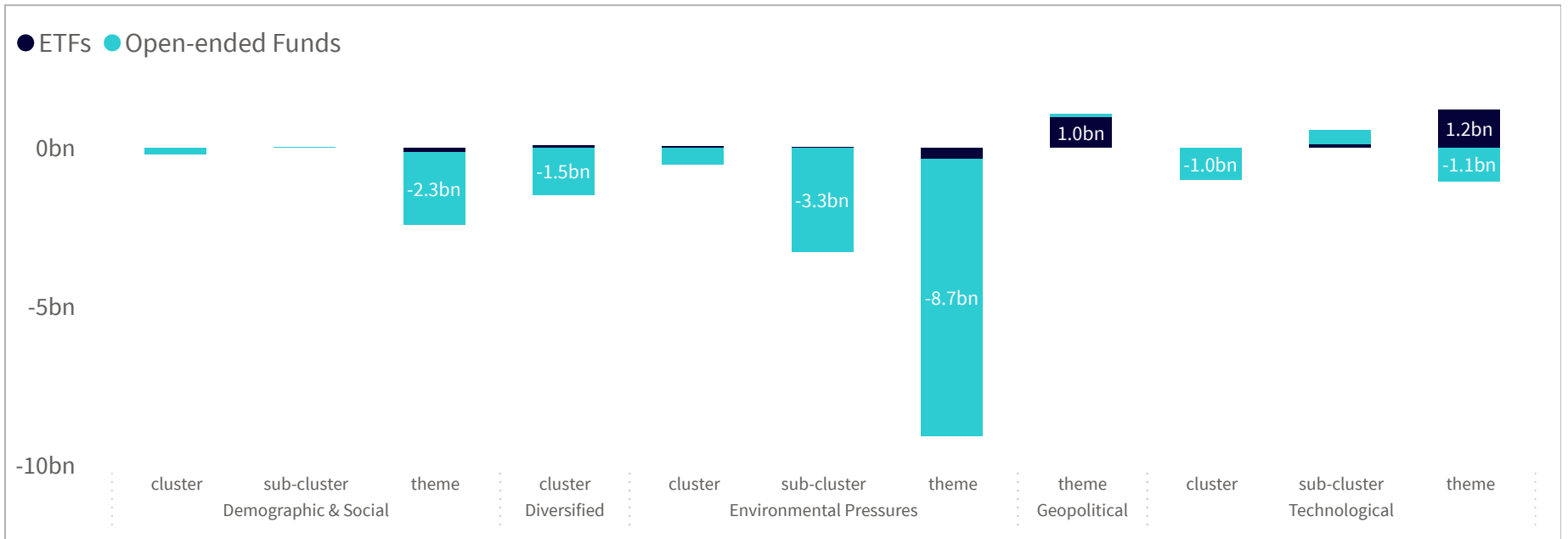
+ Year-to-date, European open-ended funds have witnessed significant outflows from both the “Environmental Pressures” and “Technological Shifts” wrappers, amounting to \$12.5 billion and \$1.6 billion, respectively. In contrast, while European thematic ETFs also saw outflows (\$318 million) from “Environmental Pressures”, they attracted \$1.3 billion in inflows from “Technological Shifts”. This resulted in a shift between the ETFs and open-ended funds within the “Technological Shifts” cluster.

+ As of the end of June 2024, “Environmental Pressures” remains the largest group in Europe, with \$129 billion in assets. It is closely followed by “Technological Shifts”, which holds \$117 billion. The gap between the two groups has narrowed compared to the previous year.

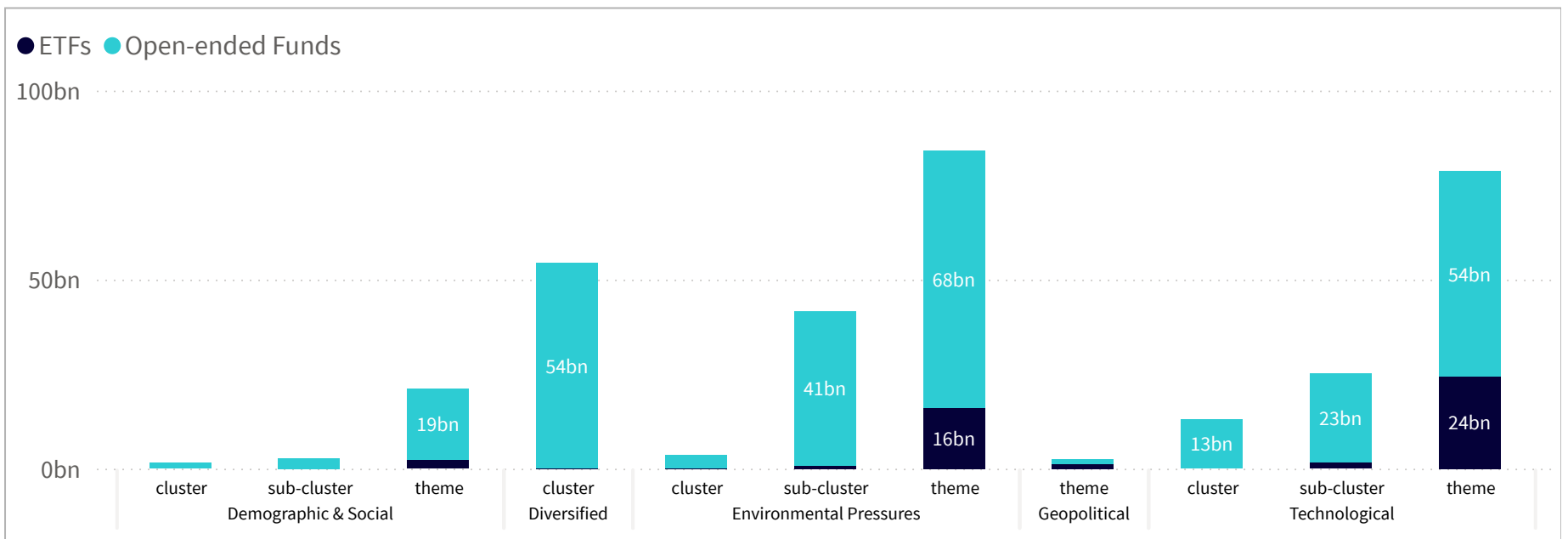
AuM in Thematics by region (Last 10Y)



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 30/06/2024 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.**

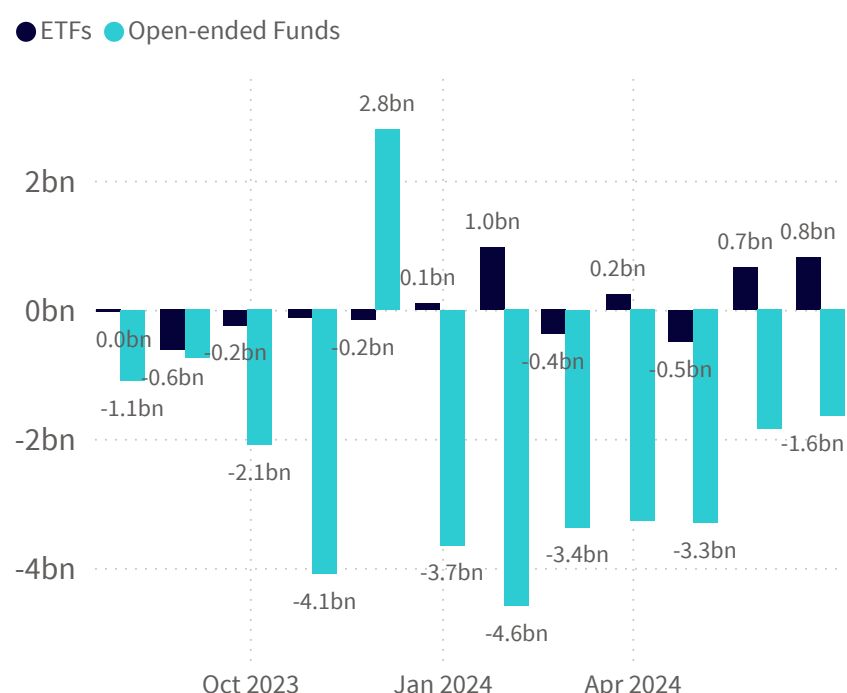
Thematic flows in Europe

+ In June, ETFs saw positive flows, while open-ended funds experienced negative flows. Open-ended funds have seen outflows in 11 of the last 12 months on a monthly basis. The “Environmental Pressures” cluster was the main driver of the outflows from the open-ended funds, seeing the largest outflows at \$1.0 billion among the clusters. Conversely, ETFs saw inflows in all clusters, with “Environmental Pressures” recording the largest inflows at \$295 million. This was followed by “Technological Shifts”, which continued its strong inflows and remains the cluster gathering the largest YTD inflows in the ETFs.

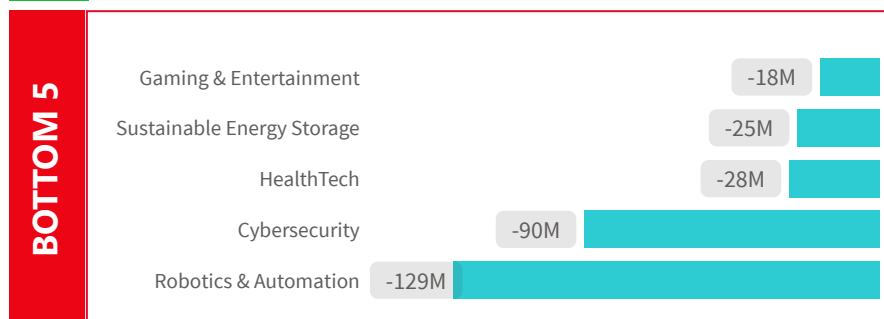
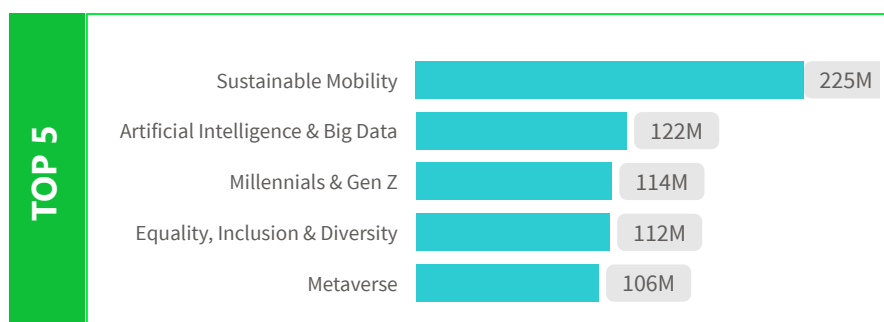
+ In June, despite its mediocre performance (-0.7%), “Wellness” replaced “Semiconductors”, attracting most flows among all the themes, with \$315 million. “Sustainable Mobility” (\$142 million) and “Metaverse” (\$126 million) entered the top 3 themes. “Millennials & Gen Z” and “Rise of Tension” closed the top 5.

+ The worst performer for the month was “Sustainable Energy Production” once again, with another \$330 million in outflows, albeit lower than the previous months this year. “Robotics & Automation” and “HealthTech” followed with \$207 million and \$176 million of outflows respectively. “Aging Population” and “Rise of the Middle Class” completed the bottom 5.

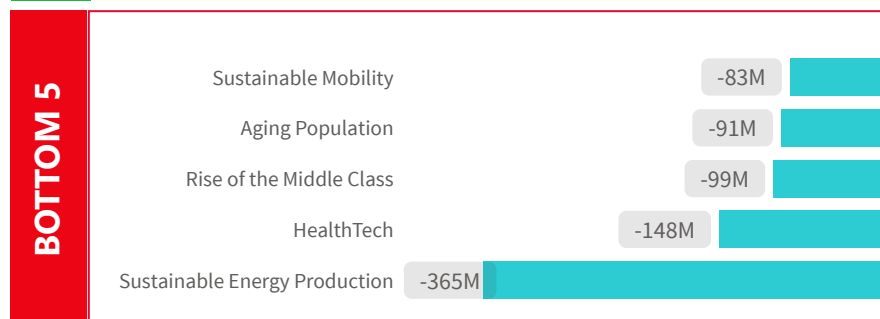
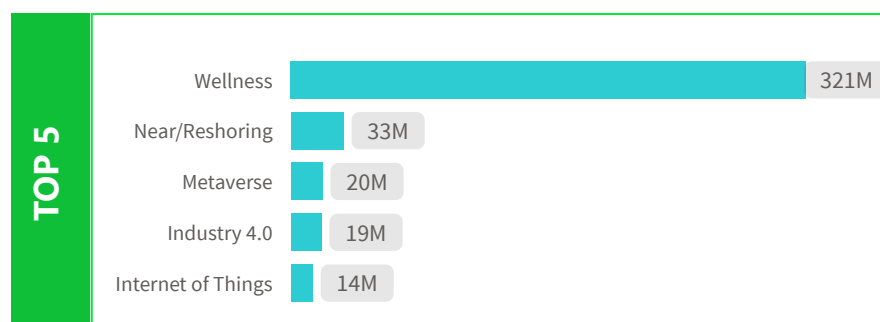
Month-on-month thematic flows



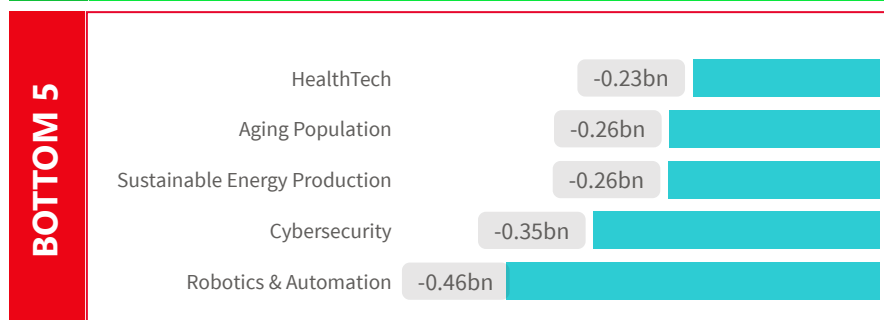
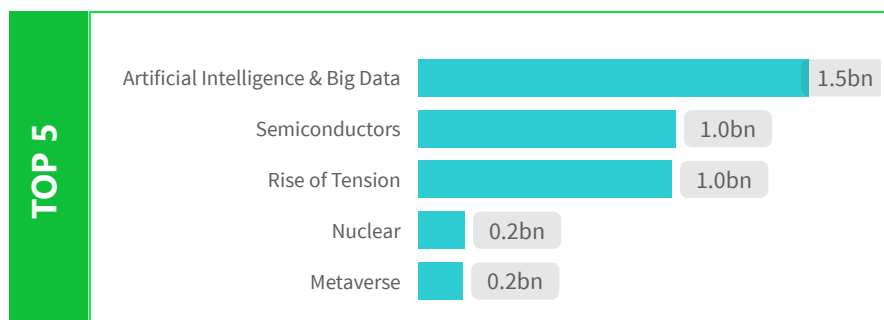
June Top/Bottom flows in Europe ETFs



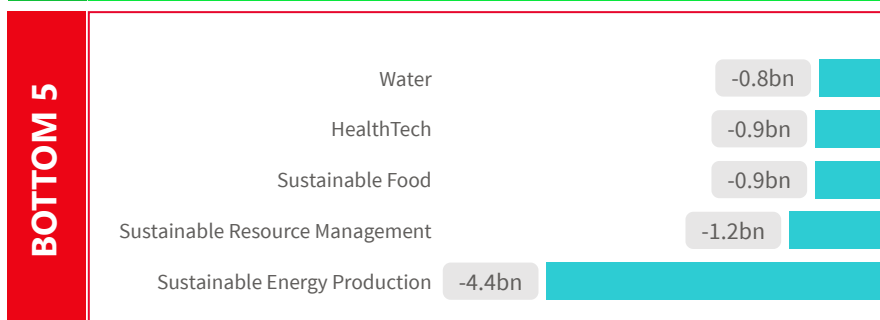
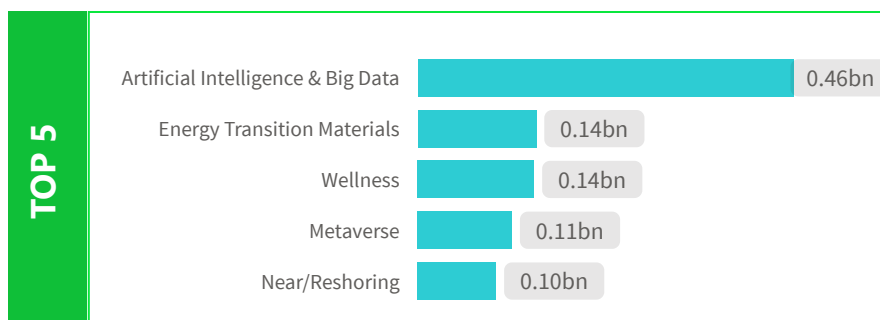
June Top/Bottom flows in Mutual Funds



YTD Top/Bottom flows in Europe ETFs



YTD Top/Bottom flows in Mutual Funds



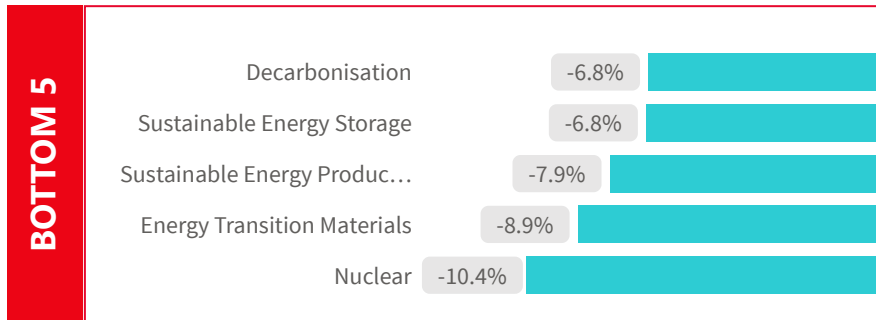
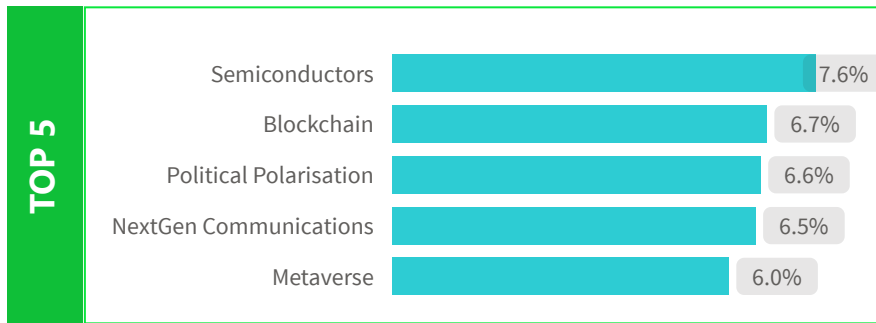
Source: WisdomTree, Morningstar, Bloomberg. All data as of 30/06/2024 and based on WisdomTree's internal classification of thematic funds. Performance is based on monthly returns from Bloomberg and Morningstar More information on the WisdomTree Thematic classification can be found in the Appendix. **Historical performance is not an indication of future performance, and any investments may go down in value.**

Thematic performance and launches in Europe

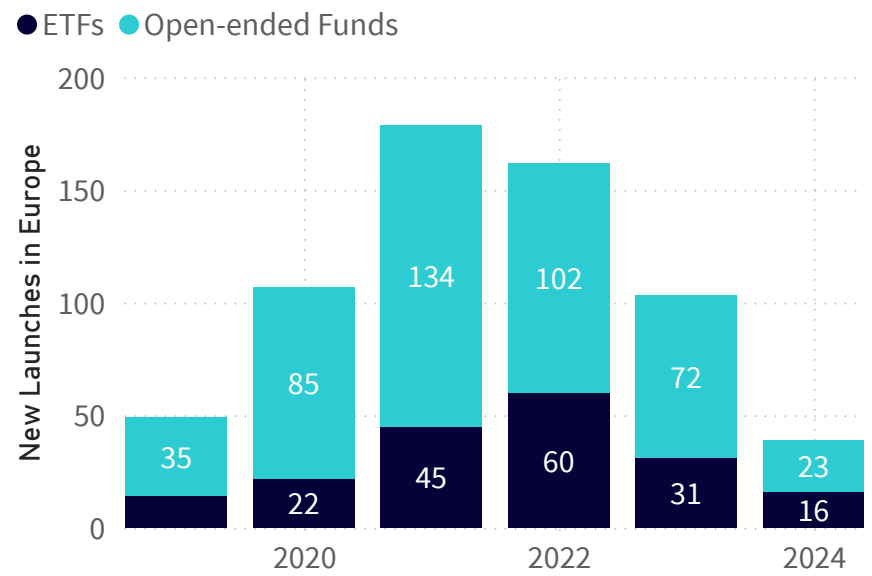
+ In June, 19 of the 46 themes ended the month in the green, and 10 of them outperformed the MSCI ACWI. “Semiconductors” continued its strong performance and was the best performing theme in June with a gain of 7.6%, which also made it the best performing theme on a YTD basis. “Blockchain”, buoyed by optimism over Bitcoin’s record high, maintained a position in the top 5 since May, rebounding from its weak performance in April, with gains of 6.7%. “Political Polarisation”, driven by fierce European elections and the US presidential debate, rounded out the top 3 performing themes. YTD, “Semiconductors” and “Rise of Tension” are the top two performing themes, despite the latter losing -2.2% in June.

+ In June, “Nuclear” reversed its strong performance from May and was the worst performing theme, with a loss of -10.4% for the month. However, its YTD return still remains positive at 6.9%. “Energy Transition Materials” lost -8.9% in June, which also dragged its YTD return into negative territory. “Sustainable Energy Production” lost -7.9% and was among the bottom 3 themes on a monthly basis. Year-to-date, 4 of the bottom 5 themes are the “green themes”, and all four of these green themes posted negative returns ranging from -15.2% to -6.4% in June.

Top 5/Bottom 5 by performance in June

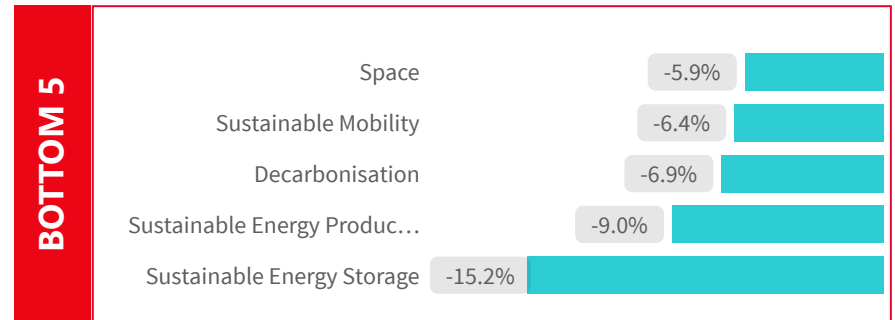
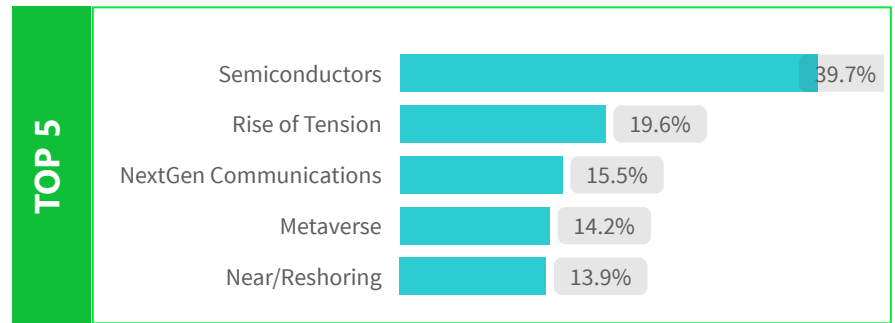


Yearly thematic launches in Europe*

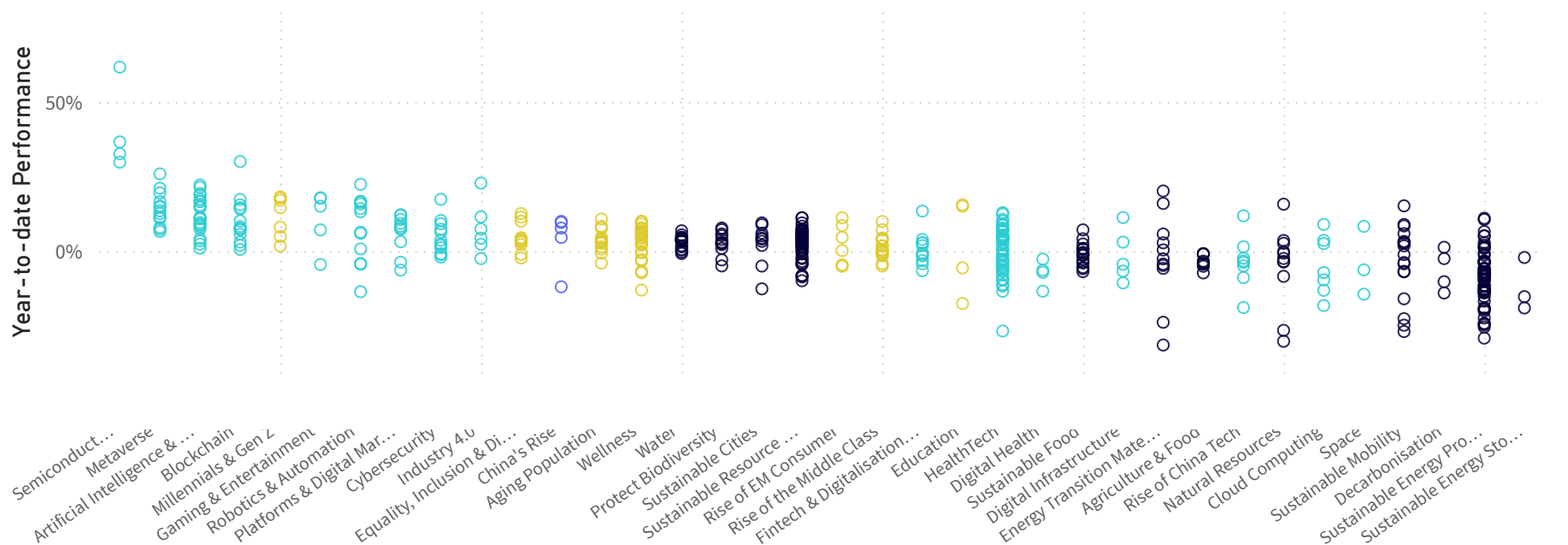


* New launches are updated quarterly

Top 5/Bottom 5 by YTD performance

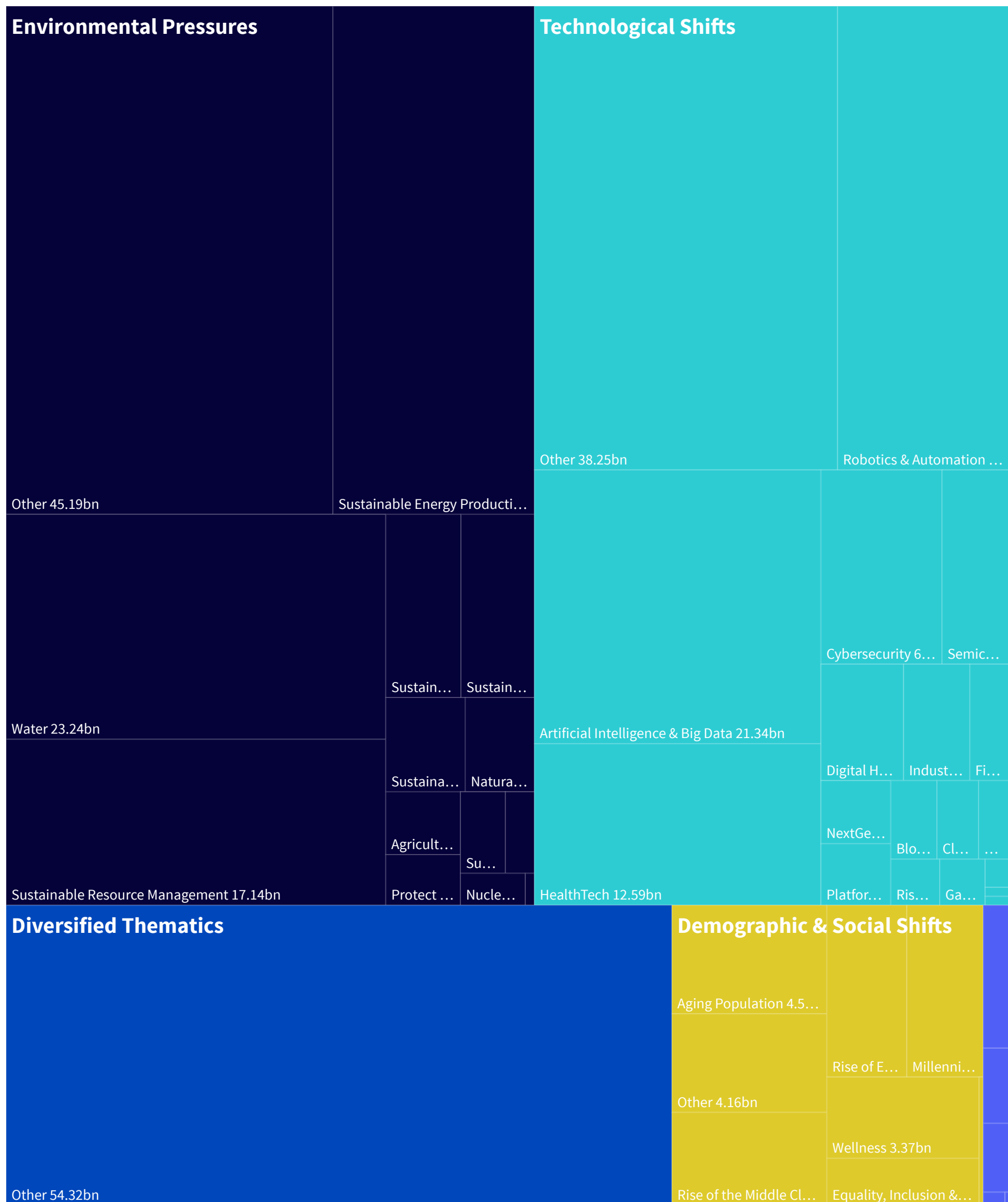


Dispersion of YTD performance of all ETFs and mutual funds by themes in Europe



Source: WisdomTree, Morningstar, Bloomberg. All data as of 30/06/2024 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 30/06/2024 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		13,125.46M	-92.48M	-1,014.38M
Technological Shifts	Disruptive Technologies	16,231.24M	98.87M	-291.72M
Technological Shifts	HyperConnectivity & Digitalisation	8,896.84M	131.00M	849.89M
Environmental Pressures		3,565.87M	-66.36M	-490.33M
Environmental Pressures	Climate Change & Sustainability	41,610.39M	-286.86M	-3,288.84M
Environmental Pressures	Limited Resources	10.18M	0.01M	-0.40M
Diversified Thematics		54,316.11M	-203.38M	-1,427.23M
Demographic & Social Shifts		1,444.14M	10.63M	-194.34M
Demographic & Social Shifts	Demographic Shifts	2,707.23M	28.28M	12.70M
Demographic & Social Shifts	Social Shifts	5.21M	0.00M	-9.57M

Appendix - Theme focused ETFs and Open-ended funds

Theme Name	AuM (\$)	Flows Last Month (\$)	Flows YTD (\$)	Performance Last Month	Performance YTD
Aging Population	4,574.69M	-109.30M	-869.96M	-1.5%	3.5%
Agriculture & Food	1,277.51M	-31.07M	-439.14M	-2.0%	-3.3%
Artificial Intelligence & Big Data	21,344.37M	68.52M	1,926.21M	5.5%	12.1%
Blockchain	988.86M	-15.27M	4.37M	6.7%	11.7%
China's Rise	541.17M	-5.51M	-36.27M	-2.3%	4.0%
Cloud Computing	891.09M	-0.22M	-33.42M	4.0%	-4.3%
Cybersecurity	6,400.92M	-89.70M	-307.00M	5.2%	4.7%
Decarbonisation	78.75M	-1.91M	-8.88M	-6.8%	-6.9%
Digital Health	2,617.61M	-34.00M	-309.12M	0.4%	-0.3%
Digital Infrastructure	66.95M	-1.44M	-6.47M	1.3%	-1.6%
Education	146.36M	-15.61M	-182.33M	1.6%	1.1%
Energy Transition Materials	641.54M	18.26M	293.67M	-8.9%	-1.0%
Equality, Inclusion & Diversity	1,934.35M	59.17M	-78.76M	-0.0%	4.3%
Fintech & Digitalisation of Finance	1,339.61M	-36.90M	-142.88M	0.4%	1.4%
Gaming & Entertainment	568.11M	-18.35M	-130.45M	2.3%	11.0%
Global Logistics	25.35M	-0.11M	-0.91M	-1.3%	-2.9%
HealthTech	12,586.05M	-175.89M	-1,114.69M	1.2%	0.6%
Industry 4.0	2,101.04M	19.07M	10.26M	-0.5%	4.7%
Internet of Things	206.73M	13.58M	59.26M	0.6%	3.6%
Metaverse	717.07M	125.57M	281.25M	6.0%	14.2%
Millennials & Gen Z	3,572.35M	106.51M	-184.98M	2.2%	11.7%
Natural Resources	1,771.64M	-53.08M	-294.58M	-5.9%	-2.8%
Near/Reshoring	591.64M	32.81M	95.32M	1.3%	13.9%
NextGen Communications	1,200.52M	-6.11M	-154.94M	6.5%	15.5%
Nuclear	564.07M	13.62M	173.73M	-10.4%	6.9%
Platforms & Digital Markets	1,169.16M	-78.99M	-361.74M	1.4%	6.7%
Political Polarisation	76.41M	0.00M	39.77M	6.6%	3.4%
Protect Biodiversity	1,028.01M	6.28M	-23.11M	-0.9%	2.8%
Rise of China Tech	614.12M	13.23M	51.81M	-2.8%	-3.5%
Rise of EM Consumer	3,734.82M	-27.82M	-725.14M	0.6%	2.5%
Rise of Tension	1,123.68M	91.45M	953.09M	-2.2%	19.6%
Rise of the Middle Class	3,908.74M	-99.44M	-603.26M	-2.0%	1.2%
Robotics & Automation	22,032.46M	-206.85M	-639.99M	2.7%	7.8%
Semiconductors	3,703.95M	15.57M	967.68M	7.6%	39.7%
Space	64.93M	6.20M	12.38M	-0.6%	-5.9%
Sustainable Cities	2,038.80M	-6.73M	-253.96M	-1.1%	2.6%
Sustainable Energy Production	27,842.20M	-330.15M	-4,675.74M	-7.9%	-9.0%
Sustainable Energy Storage	997.05M	-28.89M	-247.11M	-6.8%	-15.2%
Sustainable Food	3,658.17M	-95.04M	-929.56M	-2.7%	-1.5%
Sustainable Mobility	3,748.25M	142.21M	-654.93M	-2.4%	-6.4%
Sustainable Resource Management	17,138.76M	2.23M	-1,250.66M	-2.6%	2.6%
Water	23,237.70M	-26.89M	-781.02M	-2.9%	3.1%
Wellness	3,369.74M	314.67M	202.55M	-0.7%	3.4%

Source: WisdomTree, Morningstar, Bloomberg. All data as of 30/06/2024 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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