

# What's Hot: The strategic calm amid the tariff storm

Veröffentlicht am 22. April 2025

**Aneeka Gupta**

Director, Macroeconomic Research, WisdomTree Europe

## Wichtige Erkenntnisse

- Rare earth miners are emerging as safe havens amid renewed trade tensions and US protectionism
- The WisdomTree Strategic Metals and Rare Earths Miners UCITS ETF offers targeted exposure to companies enabling the global energy transition
- The WisdomTree Strategic Metals and Rare Earths Miners UCITS ETF global exposure and policy tailwinds position it for long-term structural growth
- Related Products WisdomTree Strategic Metals and Rare Earths Miners UCITS ETF - USD Acc, WisdomTree Energy Transition Metals, WisdomTree Battery Metals, WisdomTree Strategic Metals UCITS ETF - USD Acc Find out more

In a world once again rattling with the clang of tariff threats and geopolitical sabre-rattling, investors might be forgiven for seeking sanctuary. Oddly enough, that sanctuary is being found in a most unlikely corner of the market: critical minerals and rare earths miners. As trade tensions intensify—particularly with Donald Trump's return to the White House and his all-too-familiar protectionist playbook back on the table—an undercurrent of stability has emerged from companies that dig up the world's most esoteric-sounding elements.

## Geopolitics Meets Geology

Rare earths may be arcane to most, but they have never mattered more. And for all the unpredictability surrounding global trade, they are becoming something close to predictable in investment terms. That's because these materials—vital to electric vehicles, advanced weaponry, wind turbines, and next-gen batteries—are no longer just the scaffolding of tomorrow's economy. They've become leverage. Trump's second-term strategy places critical minerals squarely at the nexus of national security and economic independence, invoking wartime powers, fast-tracking mining permits, and pushing deals with countries like Ukraine and Greenland in what might be better described as 21st-century resource diplomacy.

## The Middle East Has Oil, China Has Rare Earths

China, of course, looms large over all of this. Its dominance in rare earths is not just historical accident—it is strategic design. For decades, Beijing has poured resources into refining capabilities, environmental

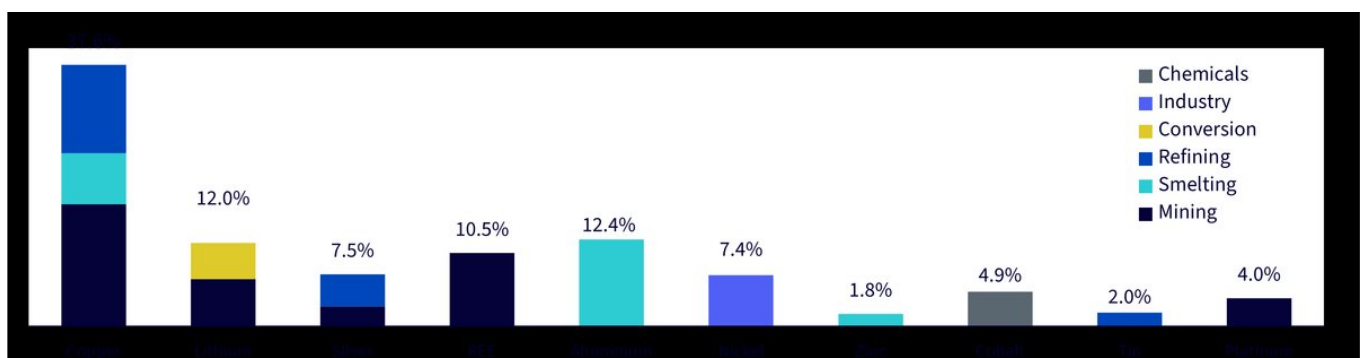
tolerance that the West has lacked, and control of supply chains. As far back as the Deng era, Chinese policymakers knew the power of cornering the future. Deng Xiaoping once quipped, with characteristic understatement, that "the Middle East has oil, China has rare earths."<sup>1</sup> Today, that remark rings prophetic. China refines nearly 90% of the world's rare earths and accounts for over two-thirds of their mine production.

And this matters—not only because China could throttle supply in the event of a geopolitical rupture, but because the West is now fully awake to that possibility. Trump's mineral-first doctrine, Europe's Critical Raw Materials Act, and supply diplomacy with nations like Ukraine, Greenland, and the Democratic Republic of Congo all reflect a fundamental shift: critical minerals are no longer just inputs; they are instruments of negotiation.

## Allocating Capital in an Era of Resource Nationalism

Against this backdrop, the [WisdomTree Strategic Metals and Rare Earths Miners UCITS ETF](#) (Ticker: RARE) presents an unusually timely investment opportunity. It offers targeted exposure to the mining companies at the heart of this global realignment—miners extracting the very elements that will fuel the energy transition, support defence infrastructure, and serve as bargaining chips in a fractured geopolitical landscape. Mining companies involved in extracting critical metals and minerals are the key enablers supporting the energy transition. The [WisdomTree Strategic Metals and Rare Earths Miners UCITS ETF](#) (Ticker: RARE) seeks to track the price and yield performance of the WisdomTree Energy Transition Metals and Rare Earth Miners Index. The Index is designed to identify globally listed companies from developed and emerging markets involved in the Energy Transition Metals Value Chain (ETMVC). Companies that belong to the ETMVC are identified and classified into 10 metal categories - aluminium, cobalt, copper, lithium, nickel, platinum, silver, tin, zinc, and rare earth elements (REE) and within mining subsectors such as mining, refining, smelting, chemicals, conversions, industry.

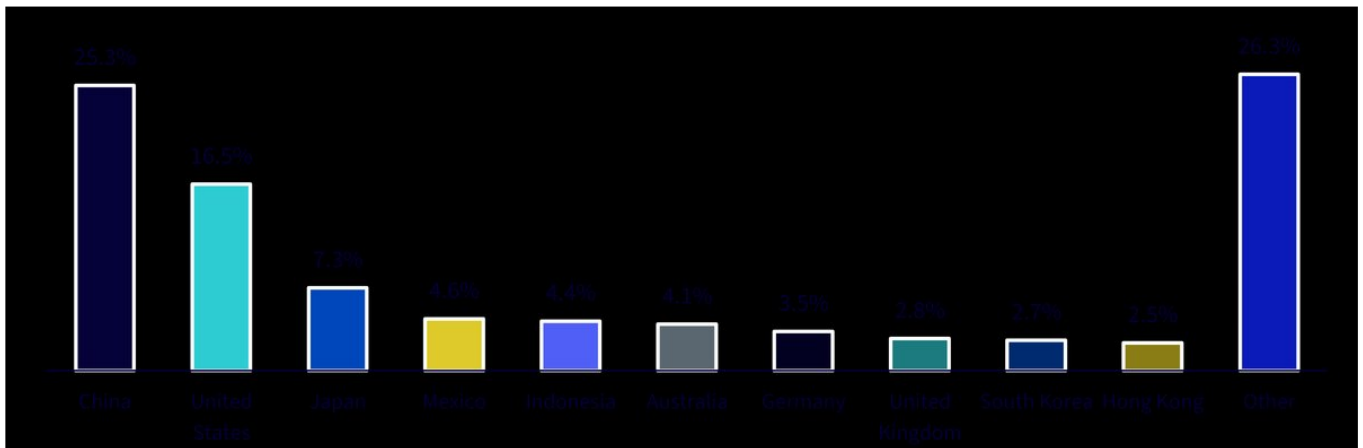
**Figure 1: Weights of Stocks across metal categories and mining subsectors**



Source: FactSet, WisdomTree as of 31 March 2025. **You cannot invest directly in an index. Historical performance is not an indication of future performance and any investments may go down in value.**

While tariffs on semiconductors and steel have whipped up volatility in broader equities, rare earth and strategic metals miners have quietly staged a rally across continents—from Latin America and Africa to China and Australia. The [WisdomTree Strategic Metals and Rare Earths Miners UCITS ETF](#) (Ticker: RARE) is deeply diversified across this landscape, with a notable tilt toward emerging markets, where over half the portfolio's weight resides.

## Figure 2: Geographic Allocation



Source: FactSet, WisdomTree as of 31 March 2025. **You cannot invest directly in an index. Historical performance is not an indication of future performance and any investments may go down in value.**

Companies such as MP Materials and Lynas Rare Earths are central to the energy transition and dominate upstream segments of the critical mineral supply chain. Latin America brings in powerhouses like SQM in Chile, pivotal to the global lithium market, while Ivanhoe Mines in the Democratic Republic of Congo anchors the ETF's copper and cobalt exposure. These firms, many backed by long-term government support and regional strategic initiatives, are not only beneficiaries of global policy shifts—they are enablers of them. In an era of trade disruptions and nationalistic resource policies, this global footprint offers a rare mix of growth potential and geopolitical insulation.

The WisdomTree Energy Transition Metals and Rare Earth Miners Index currently trades at a lower price-to-book ratio and a higher forward growth multiple than the MSCI All Country World Index—reflecting both relative value and earnings momentum. Notably, year-to-date (YTD), the WisdomTree Strategic Metals and Rare Earths Miners UCITS ETF (+4.33%) has outperformed the MSCI All Country World Index (-5.97%) by over 9.76%<sup>2</sup>, underscoring the strength of the theme amid shifting macro and political currents.

## Figure 3: WisdomTree Energy Transition Metals & Rare Earths Miners UCITS Index – Geographic Allocation



Source: FactSet, WisdomTree as of 31 March 2025. **You cannot invest directly in an index. Historical performance is not an indication of future performance and any investments may go down in value.**

## Conclusion

In a decade increasingly shaped by competition over strategic resources, critical minerals have moved from the periphery to the centre of geopolitical and industrial policy. As governments seek to strengthen supply chain resilience and reorient alliances around resource security, the role of metals such as lithium, cobalt, and rare earth elements is becoming more foundational to global economic strategy. In this context, mining companies involved in the extraction and processing of these materials represent not just a cyclical opportunity, but a potential structural allocation linked to long-term policy and technological shifts. The [WisdomTree Strategic Metals and Rare Earths Miners UCITS ETF](#) offers a lens through which to observe and potentially capture the market implications of these evolving dynamics.

1 Deng Xiaoping, the architect of China's economic reforms, made this statement during a visit to Baotou, Inner Mongolia, a region with substantial rare earth deposits in 1992

2 Bloomberg from 31 December 2024 to 16 April 2025

## Important Risks Related to this Article

### IMPORTANT INFORMATION

**Marketing communications issued in the European Economic Area (“EEA”):** This document has been issued and approved by WisdomTree Ireland Limited, which is authorised and regulated by the Central Bank of Ireland.

**Marketing communications issued in jurisdictions outside of the EEA:** This document has been issued and approved by WisdomTree UK Limited, which is authorised and regulated by the United Kingdom Financial Conduct Authority.

WisdomTree Ireland Limited and WisdomTree UK Limited are each referred to as “WisdomTree” (as applicable). Our Conflicts of Interest Policy and Inventory are available on request.

**For professional clients only. Past performance is not a reliable indicator of future performance. Any historical performance included in this document may be based on back testing. Back testing is the process of evaluating an investment strategy by applying it to historical data to simulate what the performance of such strategy would have been. Back tested performance is purely hypothetical and is provided in this document solely for informational purposes. Back tested data does not represent actual performance and should not be interpreted as an indication of actual or future performance. The value of any investment may be affected by exchange rate movements. Any decision to invest should be based on the information contained in the appropriate prospectus and after seeking independent investment, tax and legal advice. These products may not be available in your market or suitable for you. The content of this document does not constitute investment advice nor an offer for sale nor a solicitation of an offer to buy any product or make any investment.**

An investment in exchange-traded products (“ETPs”) is dependent on the performance of the underlying index, less costs, but it is not expected to match that performance precisely. ETPs involve numerous risks including among others, general market risks relating to the relevant underlying index, credit risks on the provider of index swaps utilised in the ETP, exchange rate risks, interest rate risks, inflationary risks, liquidity risks and legal and regulatory risks.

The information contained in this document is not, and under no circumstances is to be construed as, an advertisement or any other step in furtherance of a public offering of shares in the United States or any province or territory thereof, where none of the issuers or their products are authorised or registered for distribution and where no prospectus of any of the issuers has been filed with any securities commission or regulatory authority. No document or information in this document should be taken, transmitted or distributed (directly or indirectly) into the United States. None of the issuers, nor any securities issued by them, have been or will be registered under the United States Securities Act of 1933 or the Investment Company Act of 1940 or qualified under any applicable state securities statutes.

This document may contain independent market commentary prepared by WisdomTree based on publicly available information. Although WisdomTree endeavours to ensure the accuracy of the content in this

document, WisdomTree does not warrant or guarantee its accuracy or correctness. Any third party data providers used to source the information in this document make no warranties or representation of any kind relating to such data. Where WisdomTree has expressed its own opinions related to product or market activity, these views may change. Neither WisdomTree, nor any affiliate, nor any of their respective officers, directors, partners, or employees accepts any liability whatsoever for any direct or consequential loss arising from any use of this document or its contents.

This document may contain forward looking statements including statements regarding our belief or current expectations with regards to the performance of certain assets classes and/or sectors. Forward looking statements are subject to certain risks, uncertainties and assumptions. There can be no assurance that such statements will be accurate and actual results could differ materially from those anticipated in such statements. WisdomTree strongly recommends that you do not place undue reliance on these forward-looking statements.

### **WisdomTree Issuer ICAV**

The products discussed in this document are issued by WisdomTree Issuer ICAV ("WT Issuer"). WT Issuer is an umbrella investment company with variable capital having segregated liability between its funds organised under the laws of Ireland as an Irish Collective Asset-management Vehicle and authorised by the Central Bank of Ireland ("CBI"). WT Issuer is organised as

an Undertaking for Collective Investment in Transferable Securities ("UCITS") under the laws of Ireland and shall issue a separate class of shares ("Shares") representing each fund. Investors should read the prospectus of WT Issuer ("WT Prospectus") before investing and should refer to the section of the WT Prospectus entitled »Risk Factors¼ for further details of risks associated with an investment in the Shares.

### **Notice to Investors in Switzerland – Qualified Investors**

This document constitutes an advertisement of the financial product(s) mentioned herein.

The prospectus and the key investor information documents (KIID) are available from WisdomTree's website: <https://www.wisdomtree.eu/en-ch/resource-library/prospectus-and-regulatory-reports>

Some of the sub-funds referred to in this document may not have been registered with the Swiss Financial Market Supervisory Authority ("FINMA"). In Switzerland, such sub-funds that have not been registered with FINMA shall be distributed exclusively to qualified investors, as defined in the Swiss Federal Act on Collective Investment Schemes or its implementing ordinance (each, as amended from time to time). The representative and paying agent of the sub-funds in Switzerland is Société Générale Paris, Zurich Branch, Talacker 50, PO Box 5070, 8021 Zurich, Switzerland. The prospectus, the key investor information documents (KIID), the articles of association and the annual and semi-annual reports of the sub-funds are available free of charge from the representative and paying agent. As regards distribution in Switzerland, the place of jurisdiction and performance is at the registered seat of the representative and paying agent.

### **For Investors in France**

The information in this document is intended exclusively for professional investors (as defined under the MiFID) investing for their own account and this material may not in any way be distributed to the public. The distribution of the Prospectus and the offering, sale and delivery of Shares in other jurisdictions may be restricted by law. WT Issuer is a UCITS governed by Irish legislation, and approved by the Financial Regulatory as UCITS compliant with European regulations although may not have to comply with the same rules as those applicable to a similar product approved in France. The Fund has been registered for marketing in France by the Financial Markets Authority (Autorité des Marchés Financiers) and may be distributed to investors in France. Copies of all documents (i.e. the Prospectus, the Key Investor Information Document, any supplements or addenda thereto, the latest annual reports and the memorandum of incorporation and articles of association) are available in France, free of charge at the French centralizing agent, Societe Generale at 29, Boulevard Haussmann, 75009, Paris, France. Any subscription for Shares of the Fund will be made on the basis of the terms of the prospectus and any supplements or addenda thereto.

### **For Investors in Malta**

This document does not constitute or form part of any offer or invitation to the public to subscribe for or purchase shares in the Fund and shall not be construed as such and no person other than the person to whom this document has been addressed or delivered shall be eligible to subscribe for or purchase shares in the Fund. Shares in the Fund will not in any event be marketed to the public in Malta without the prior authorisation of the Maltese Financial Services Authority.

### **For Investors in Monaco**

This communication is only intended for duly registered banks and/or licensed portfolio management companies in Monaco. This communication must not be sent to the public in Monaco.