Investing in India’s long-term growth story

Published 24 February 2026

Ayush Babel
Director, Quantitative Research

Key Takeaways

- India represents one of the most attractive long-term equity growth stories globally, supported by structural and policy-driven tailwinds.
- India is a key engine of global economic growth, with gross domestic product (GDP) growth consistently outpacing major economies and contributing a growing share of incremental global GDP.
- The WisdomTree India Earnings UCITS ETF is designed to access this opportunity through a fundamentally driven, earnings-weighted investment approach.
- Earnings-weighting prioritises profitable companies, rather than those with the highest share prices, offering a valuation-aware alternative to market-cap indices.

- Related Products WisdomTree India Earnings UCITS ETF - USD Acc Find out more

India stands out as a strong long-term equity opportunity in the global investment universe. Supported by favourable demographics, a large and growing domestic economy, accelerating digitalisation, rapid infrastructure development, political stability and sustained policy reform, the country is positioned for potential multi-decade growth that few markets are likely to be able to replicate at scale.

As investors look to access this opportunity, how they invest in India matters as much as why. Valuations can be elevated compared to other emerging markets, weights can be concentrated in the large stocks and traditional market-cap-weighted indices often concentrate exposure in the most expensive stocks. The WisdomTree India Earnings UCITS ETF (EPI) is designed to address these challenges by offering a fundamentally driven, earnings-weighted approach to investing in Indian equities, anchoring exposure in profitability rather than price.

India’s structural growth engine

India’s long-term growth story is built on several durable and mutually reinforcing pillars.

Demographics and workforce expansion are a defining advantage. India has one of the youngest populations among major economies, with a median age of around 28, compared with roughly 39 in China and over 40 across much of the developed world. Around 65–68% of India’s population is of working age (15–64) today, as per a United Nations report1, and this favourable dependency ratio is expected to persist well into the 2030s. Rising female labour-force participation and continued urbanisation are further expanding the economy's productive capacity and supporting long-term income growth. It is critical that India leverages its demographics so it can contribute to economic growth and not stagnate it.

A domestic demand–led growth model provides resilience. Private consumption accounts for over 60% of India's GDP2, a level comparable to developed economies and materially higher than many export-dependent emerging markets. Over the past decade, household spending has more than doubled, with a growing share directed toward discretionary categories such as consumer durables, financial services and healthcare. This internal demand base reduces reliance on external trade cycles and helps insulate growth during periods of global uncertainty. This also contributes to less correlation in India's stock market returns versus the broader Emerging Markets universe.

Manufacturing and supply-chain diversification are becoming increasingly tangible. As global companies pursue 'China + 1' strategies, India is emerging as a key beneficiary, supported by policy incentives, rising infrastructure investment and a deep pool of engineering and technical talent. India has already achieved scale in areas such as smartphone manufacturing and pharmaceuticals, and is gaining traction across electronics, defence and higher-value manufacturing segments.

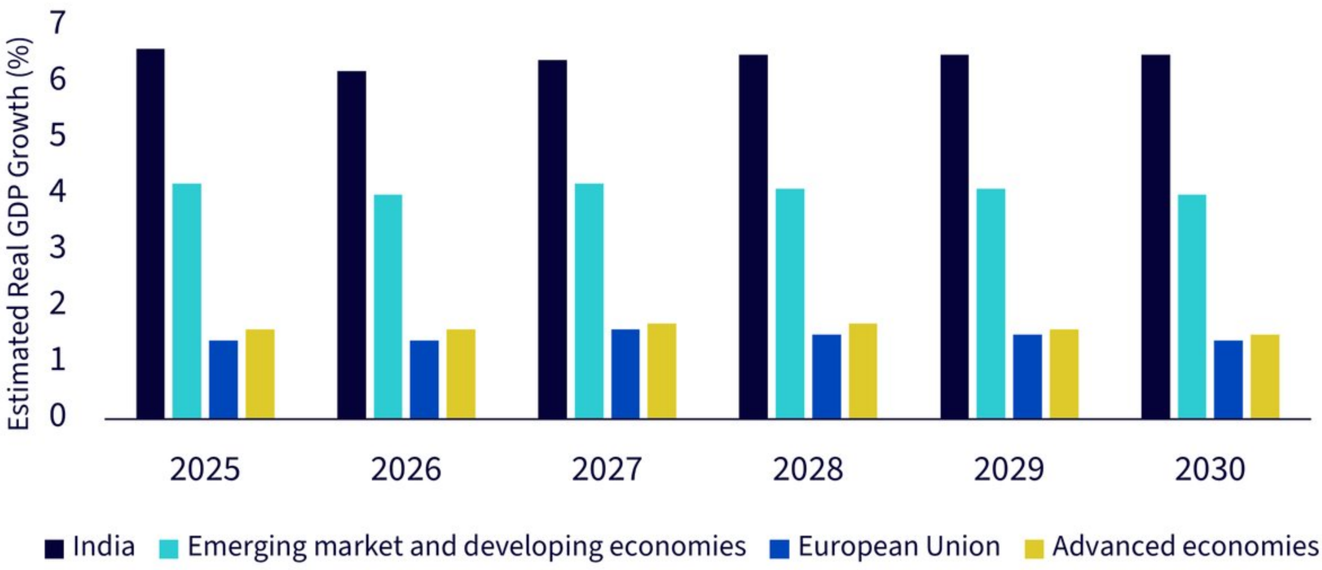
Digitalisation is accelerating formal economic activity. Low-cost, real-time digital payments through Unified Payment Interface (UPI), a domestically developed digital instant payment mechanism, now account for over 80% of retail digital transaction volumes3, improving transparency, broadening financial inclusion and creating data rails that support credit growth and earnings visibility for listed companies.

Trade integration and tariff positioning are becoming increasingly supportive. After a rough patch in the trade negotiations between India and the US, India has recently deepened trade relationships with key global partners, including the United States, the United Kingdom and the European Union, while negotiations with other major blocs such as the Gulf Cooperation Council (GCC) and Canada are progressing. In a global environment marked by rising protectionism, India's relative tariff positioning has improved: US duties on Indian exports are now meaningfully lower than those applied to several other emerging markets. This enhances its attractiveness as a long-term manufacturing and investment destination versus peers.

India contributes disproportionately to global growth, reinforcing its importance. IMF forecasts suggest India will remain one of the fastest-growing major economies through the rest of the decade, with real GDP growth consistently above 6%4, materially higher than growth rates in advanced economies. As a result, India is expected to account for a larger share of incremental global GDP growth than many developed markets, highlighting its role as a key engine of global economic expansion and corporate earnings growth.

While investing in emerging markets involves risks such as currency volatility and geopolitical uncertainty, India's structural growth drivers and expanding corporate opportunity set make it a compelling long-term allocation. Together, these structural forces underpin a long runway for sustainable economic and corporate earnings growth.

Figure 1: India leads in GDP Growth (%)



Source: International Monetary Fund forecasts as of February 2026. **Forecasts are not an indicator of future performance and any investments are subject to risks and uncertainties.**

Introducing the WisdomTree India Earnings UCITS ETF

Why does an earnings-based strategy make sense for Indian equities?

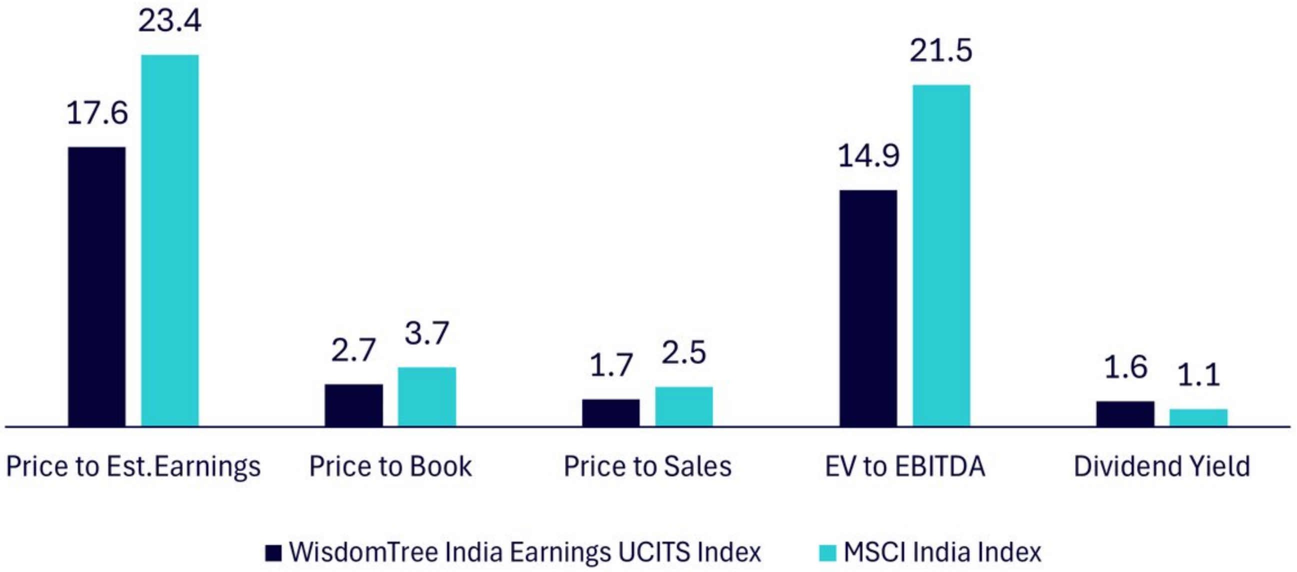
Despite its growth potential, India is often perceived as an expensive market. Part of this reflects strong fundamentals, and part is a function of how traditional indices are constructed.

Market-cap-weighted indices allocate more capital to companies whose share prices have risen the most, regardless of whether those prices are supported by fundamentals. In fast-growing markets, this can lead to concentration risk and increasing exposure to richly valued stocks.

WisdomTree’s earnings-based approach offers a disciplined alternative. By weighting companies by their net income, investors could tilt exposure toward businesses with tangible financial strength. Firms that contribute more to aggregate earnings receive greater weight, while less profitable or overvalued companies are systematically de-emphasised.

This framework seeks to balance participation in India’s growth with valuation awareness, an important consideration for long-term investors. This can be observed across valuation ratios as seen in Figure 2.

Figure 2: WisdomTree’s earnings-based approach leads to better valuations



Source: WisdomTree, Factset, Bloomberg. As of 31 Jan 2026. **You cannot invest in an index. Historical performance is not an indication of future performance, and any investments may go down in value.**

A disciplined approach to investing in Indian equities

The WisdomTree India Earnings UCITS ETF provides investors with access to Indian equities and tracks the WisdomTree India Earnings UCITS Index, a transparent, rules-based index designed to capture the breadth of India's profitable equity universe.

The index applies a clear and disciplined construction process as follows:

- Companies listed on the Bombay Stock Exchange (BSE) with a minimum market capitalisation of 200 million are considered for inclusion, subject to investability and liquidity constraints.
- Companies involved in controversial weapons are excluded.
- Stocks with a price-to-earnings ratio of less than 2 or a net income of less than USD 5 million are excluded.
- Selected stocks are weighted by their trailing twelve-month net income.
- Individual stocks (7.5%) and sector (25%) weights are capped to ensure diversification.

By anchoring weights to earnings rather than price, the WisdomTree India Earnings Index seeks to provide diversified and broad exposure to India's equity market while maintaining a systematic focus on profitability and valuation discipline, key considerations for long-term investors allocating to one of the world's most dynamic growth economies.

1 Source: World Population Prospects, 2022.
2 Source: World Bank, 2022.

3 Source: Press Information Bureau India, 2026.

4 Source: International Monetary Fund. As of 17 Feb 2026.

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.

This marketing communication has been prepared for professional investors, but the WisdomTree products set out in this document may be available in some jurisdictions to any investors, subject to applicable laws and regulations. As the product may not be authorised or its oering may be restricted in your jurisdiction, it is the responsibility of every person or entity to satisfy themselves as to the full observance of the laws and regulations of the relevant jurisdiction. Prior to any application investors are advised to take all necessary legal, regulatory, tax and investment advice on the suitability and consequences of an investment in the products. 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 aected by exchange rate movements. Any decision to invest should be based on the information contained in the appropriate prospectus and aer 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 oer for sale nor a solicitation of an oer 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 oering 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 ailiate, nor any of their respective oicers, 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 dier 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.

The Fund is described in a Key Information Document (KID) or Key Investor Information Document (KIID) for UK investors, and the prospectus of WT Issuer (“WT Prospectus”). A copy of the WT Prospectus and the KID / KIID is available, for EEA/UK only, in English at www.wisdomtree.eu. Where required under national rules, the KID will also be available in the local language of the relevant EEA Member State. Investors should read the 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.

The summary of investor rights associated with an investment in the fund is available in English on WisdomTree Europe¼s website. WisdomTree Management Limited may decide to terminate the arrangements made for the marketing of its collective investment undertakings. In such circumstances, shareholders in the aected EEA Member State will be notified of this decision and will be provided with the opportunity to redeem their shareholding in the fund free of any charges or deductions for at least 30 working days from the date of such notification.

For Investors in Switzerland:

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

The prospectus (in English only) and the key investor information documents (KID) (in German, French and Italian) are available from WisdomTree¼s website https://www.wisdomtree.eu/en-ch/resource-library/prospectus-and-regulatory-reports

For WisdomTree UCITS products only: the representative and paying agent of the ETPs 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. 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 may only be available to Qualified Investors.

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 oering, 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 oer 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.