

Smart commodity investing at the crossroads of a new supercycle

Published 11 February 2026

Tobias Lazar

Associate Director, Quantitative Research

Key Takeaways

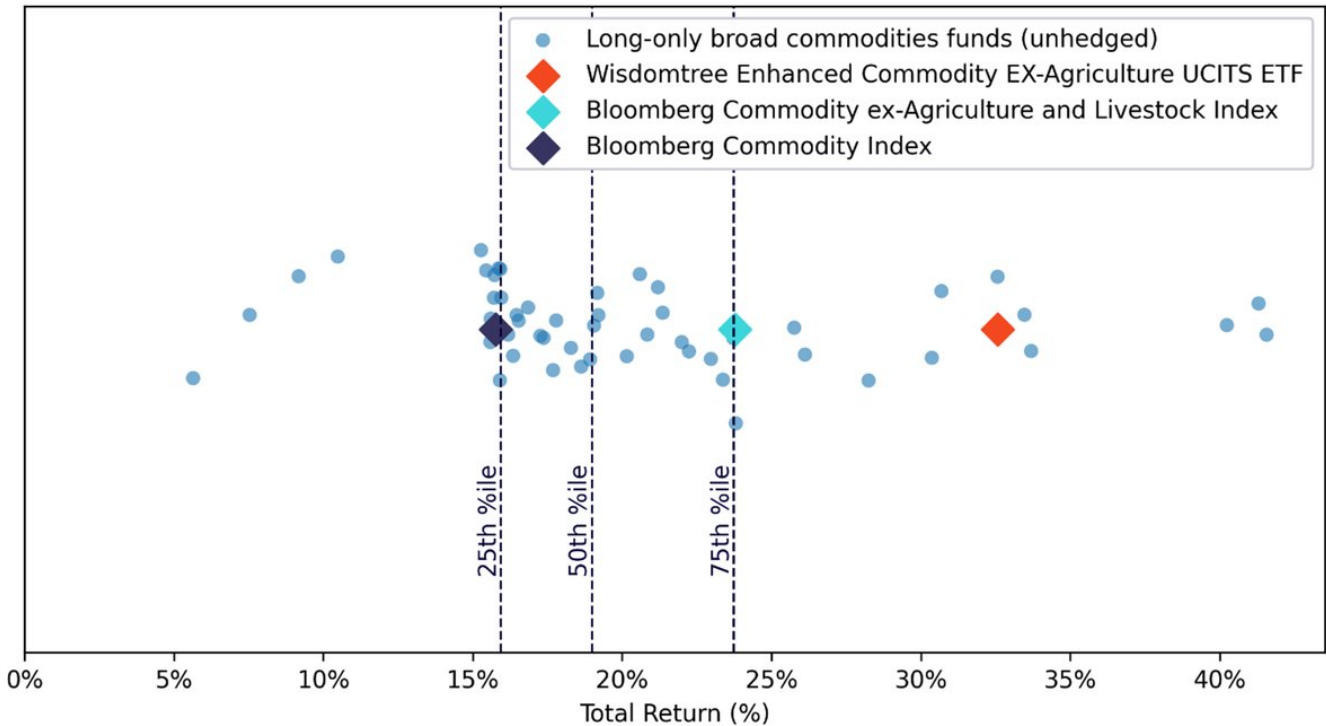
- Wide dispersion in fund outcomes highlighted that portfolio construction mattered in 2025
- The WisdomTree Enhanced Commodity ex-Agriculture UCITS ETF's metals exposure and implementation drove top-quartile results
- The exchange-traded fund (ETF) is well-positioned for a more selective commodity cycle in 2026
- Related Products WisdomTree Enhanced Commodity ex-Agriculture UCITS ETF - USD Acc Find out more

2025 was a strong year for commodities in aggregate. Broad commodity funds delivered positive returns throughout, supported by upside surprises across industrial and precious metals. Yet beneath strong aggregate returns, outcomes varied widely across funds¹.

The return gap between the best- and worst-performing broad commodity funds reached 66%, highlighting that portfolio construction choices mattered as much as the asset class exposure itself (Figure 1). This dispersion includes one fund with a more flexible mandate that permits the use of derivatives and hedging. For readability, this fund's return is truncated in Figure 1.

Against this backdrop, [WisdomTree's Enhanced Commodity ex-Agriculture UCITS ETF \(WXAG\)](#) finished 2025 in the top quartile of its peer group, delivering a return 13.6% above the median. The following sections unpack the drivers of this performance and assess whether the strategy is positioned to benefit from the next phase of the commodity cycle.

Figure 1: WisdomTree's Enhanced Commodity ex-Agriculture UCITS ETF finishing 2025 in the top quartile of long-only broad commodity funds



Source: Bloomberg from 31 December 2024 to 31 December 2025. The blue dots represent the range of total returns from 52 long-only, unhedged broad commodity funds (incl. ETFs and open-ended funds) offered in Europe. Chart scale capped at the 95th percentile of returns. One outlier above this level is truncated for visual clarity. **Historical performance is not an indication of future performance and any investments may go down in value.**

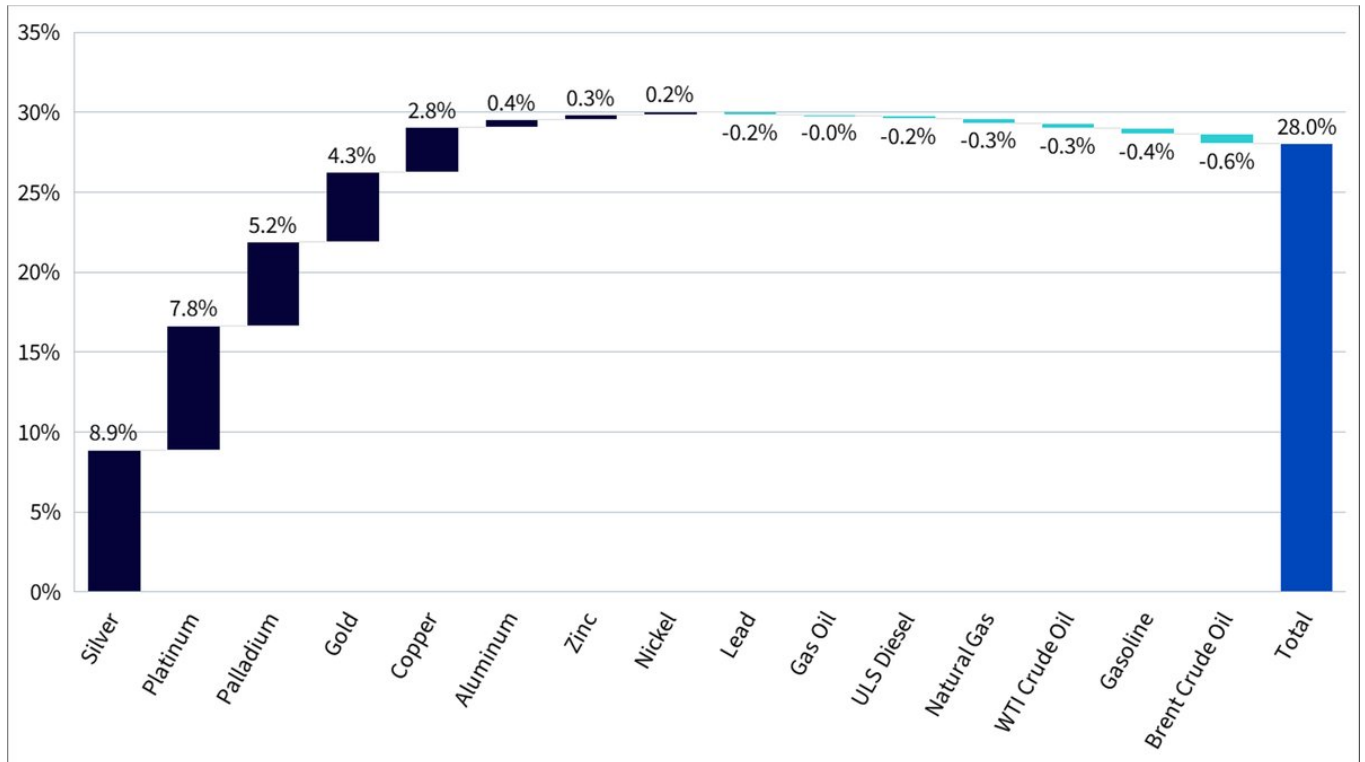
A year defined by sector divergence

Rather than a broad-based commodity rally, 2025 was characterised by pronounced dispersion across sectors.

Energy markets struggled under the weight of excess supply, with fossil fuels impacted by elevated production and inventory levels. In contrast, industrial metals such as copper benefited from tightening supply conditions colliding with structurally rising demand, particularly from data centre investment, electrification, and electric vehicle adoption.

Precious metals added a further tailwind. Gold and silver benefited from a combination of US-dollar debasement concerns, heightened geopolitical risk, and renewed policy uncertainty, while platinum group metals rallied sharply amid improving demand dynamics and constrained supply.

Figure 2: WisdomTree's Enhanced Commodity ex-Agriculture UCITS ETF performance contributors



Source: WisdomTree from 31 December 2024 to 31 December 2025. Return attribution is shown as excess return, before collateral return. **Historical performance is not an indication of future performance and any investments may go down in value.**

Precious metals accounted for 94% of total returns, with silver alone, at an average portfolio weight of 8.8%, contributing approximately one-third of overall performance. Platinum and palladium were the next largest contributors, followed by gold. Industrial metals, led by copper, accounted for the remainder of gains, while exposure to energy modestly detracted.

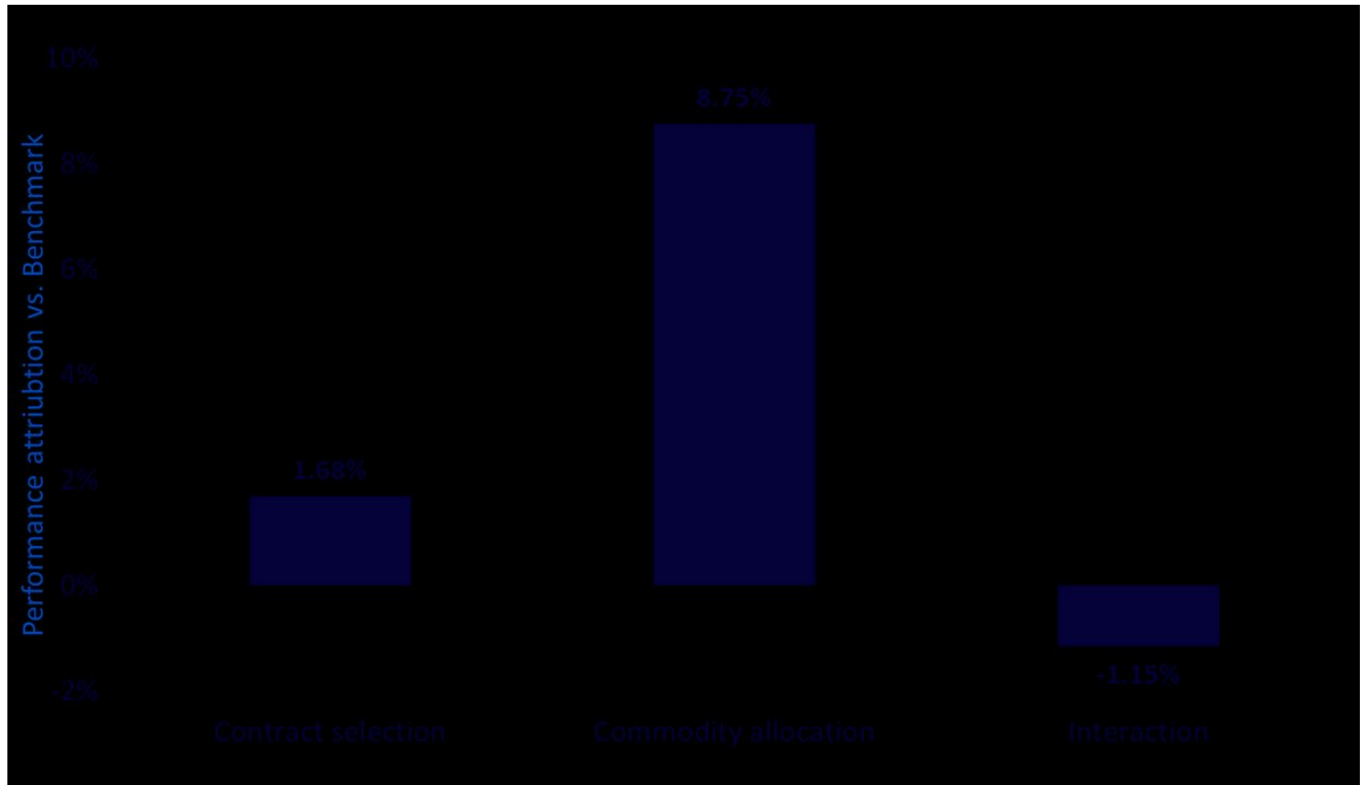
Ex-Agriculture mattered, but wasn't everything

The exclusion of agricultural commodities explains part, but not all, of the fund's performance outcome (Figure 1).

Agricultural markets detracted from returns across many broad commodity allocations in 2025, and removing this exposure provided a meaningful tailwind. However, WisdomTree's Enhanced Commodity ex-Agriculture UCITS ETF's performance exceeded that of commodity portfolios with similar sector exclusions, indicating that outcomes were shaped by more than sector composition alone.

In particular, the strategy maintains structural exposure to platinum and palladium, markets that are excluded from conventional broad commodity benchmarks. In 2025, platinum and palladium delivered total returns of 115% and 72%², respectively, contributing meaningfully to relative performance versus the Bloomberg Commodity ex-Agriculture and Livestock Index (Figure 3).

Figure 3: commodity allocation drove the 2025 outperformance



Source: WisdomTree, Bloomberg from 31 December 2024 to 31 December 2025. 'Commodity allocation' reflects the impact of commodity selection and weighting. 'Contract selection' reflects the impact of futures contract choice relative to the benchmark. Interaction captures the combined effect of both. Benchmark: Bloomberg Commodity ex-Agriculture and Livestock Index. **Historical performance is not an indication of future performance and any investments may go down in value.**

Beyond commodity selection, improved futures contract selection contributed positively to returns.

The strategy seeks to mitigate roll costs and improve carry outcomes by selecting contracts along the futures curve with more favourable characteristics. In 2025, this approach contributed 1.68% to returns (Figure 3). While interaction effects were negative, indicating instances where contract selection muted some commodity price gains, the net impact of allocation and curve management remained decisively positive.

Looking ahead: positioned for a more selective commodity cycle

Going into 2026, WisdomTree's Enhanced Commodity ex-Agriculture UCITS ETF will continue to maintain a strategic equal weight allocation across industrial metals, precious metals and energy, with intra-sector weights determined by liquidity and a risk-return optimisation process.

The next phase of the commodity cycle is becoming increasingly selective rather than broad-based. An equal-weight allocation across industrial metals, precious metals and energy offers a robust way to capture

this shift without relying on a single macroeconomic outcome. Industrial metals are supported by sustained investment in electrification, grid expansion and data infrastructure, while supply remains constrained by long development timelines and growing policy intervention. Precious metals, led by gold, increasingly reflect structural demand linked to fiscal credibility, geopolitics and reserve diversification.

Energy markets stand apart. Elevated inventories and spare capacity limit the scope for a sustained upswing, but energy remains an important source of diversification and inflation sensitivity within a commodity allocation. Equal weighting, therefore, balances exposure to structurally tightening metals markets with the stabilising role of energy, while retaining upside to what increasingly resembles a selective commodity supercycle focused on metals.

Summary

2025 reinforced that for multi-asset portfolios, outcomes depended on how commodity exposures were implemented, not just on the decision to allocate to the asset class itself. WisdomTree's Enhanced Commodity ex-Agriculture UCITS ETF's top-quartile performance reflected targeted exposure to metals with tightening supply dynamics, inclusion of conventionally underrepresented markets, and disciplined futures implementation. As the commodity environment becomes more selective and increasingly centred on industrial and precious metals, the strategy's design remains aligned with the dominant forces shaping returns in 2026.

1 The peer group consists of long-only, broad commodities open-ended funds offered in Europe, excluding currency-hedged share classes.

2 Source: WisdomTree from 31 December 2024 to 31 December 2025. **Historical performance is not an indication of future performance and any investments may go down in value.**

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 offering 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 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.

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 Europe's 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 affected 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.

The Morgan Stanley RADAR ex Agriculture & Livestock Commodity Index (the “Index”) is the exclusive property of Morgan Stanley Capital Group Inc. and/or its affiliates (collectively, “Morgan Stanley”), which has contracted with S&P Opco, LLC (a subsidiary of S&P Dow Jones Indices LLC) (“S&P Dow Jones Indices”) to maintain and calculate the Index. The Index Components comprising the Index are the property of S&P Dow Jones Indices, its affiliates and/or their third party licensors and has been licensed by S&P Dow Jones Indices for use by Morgan Stanley in connection with the Index. S&P Dow Jones Indices, its affiliates and their third party licensors shall have no liability for any errors or omissions in calculating the Index.

The Index is not sponsored, endorsed, sold or promoted by S&P Dow Jones Indices, its affiliates or their third party licensors and neither S&P Dow Jones Indices, its affiliates nor their third party licensors make any representation regarding the advisability of investing in the Index. Morgan Stanley and the Index names are service mark(s) of Morgan Stanley and have been licensed for use for certain purposes by WisdomTree. The Fund referred to herein is not sponsored, endorsed, or promoted by Morgan Stanley. Neither Morgan Stanley nor any other party (including without limitation any calculation agents or data providers) make any express or implied warranties, and hereby expressly disclaim all warranties of merchantability or fitness for a particular purpose, with respect to the Index or any Index related data. Without limiting any of the foregoing, in no event shall Morgan Stanley or any other party (including without limitation any calculation agents or data providers) have any liability for any direct, indirect, special, punitive, consequential or any other damages (including lost profits) with respect to the Index, Index related data, the Fund, or any shares or investment units, even if notified of the possibility of such damages.

The assessment of UCITS compliance is made solely by WisdomTree and not made in reliance on any representations, warranties, undertakings or statements by Morgan Stanley or any of its affiliates.

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 WisdomTree’s 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 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.