

Thematic investing without the guesswork

Published 20 April 2026

Pierre Debru

Head of Research, WisdomTree Europe.

Key Takeaways

- Thematic investing can offer access to long-term growth, but doing it well means solving three problems: choosing the right themes, sizing them over time and selecting the right stocks.
- WisdomTree's multi-thematic approach aims to simplify that process through a top-down framework that combines strategic theme selection, tactical tilts and dedicated stock selection for each theme.
- WisdomTree Megatrends and WisdomTree Tech Megatrends are designed to give investors diversified exposure to structural trends while reducing the risk of ending up with a portfolio that just looks like broad market or Nasdaq exposure.
- Related Products [WisdomTree Megatrends UCITS ETF - USD Acc](#), [WisdomTree Tech Megatrends UCITS ETF - USD Acc](#) Find out more

Thematic investing could be seen as a cheat code for investing: buy the future early, sit back, and let the world do the work. In practice, it can feel more like trying to catch fireworks in a jar. You know something big is happening, but the sparks fly in every direction, at weird times, and nobody tells you when the grand finale is.

That tension is real. The best themes can guide you towards companies benefiting from structural tailwinds and delivering strong long-term growth, subject to market conditions. But investing in thematic well requires time, as it means picking the right themes, sizing the allocation to those themes correctly, and picking the most relevant stocks for each theme (which may not be the biggest or the best-known ones).

At WisdomTree, we think the answer to this conundrum could be an expert-driven, thoughtfully crafted, multi-thematic strategy. We have developed two multi-thematic exchange-traded funds (ETFs) over time:

- The [WisdomTree Megatrends UCITS ETF](#) that invests in 18 themes
- The [WisdomTree Tech Megatrends UCITS ETF](#) that invests in 9 tech themes

Both ETFs solve those 3 issues for investors through a three-step top-down investment process:

- Strategic Thematic Asset Allocation
- Tactical Thematic Asset Allocation
- Thematic Stock Selection

Start with the map, not the hype

A thematic approach is basically a forward-looking lens. Instead of sorting the market by yesterday’s labels (countries and sectors), companies are mapped according to structural shifts such as artificial intelligence (AI), renewable energy, quantum computing, or the European renaissance. Done well, this new framing may help investors target higher long-term growth and potentially spot tomorrow’s mega-caps earlier in their journey.

The problem is that even professional investors, when asked about the biggest barriers they face when allocating to thematic strategies, answer, “There are too many strategies to choose from”. Most investors don’t struggle because they can’t name a trend. They struggle because they don’t even know the full list.

That’s why classification matters. WisdomTree has developed its own thematic classification to bring structure to a space that doesn’t fit neatly into the usual fund boxes. It organises themes into four big clusters: Technological Shifts, Demographic & Social Shifts, Environmental Pressures, and Geopolitical Shifts.

Once you can see the map, theme selection becomes more practical.

Figure 1: 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	ENERGY ADDITION & CLIMATE CHANGE	LIMITED RESOURCES
Artificial Intelligence & Big Data	Cloud Computing	Aging Population	Education	Global Logistics	China's Rise	Electrification	
Agentic AI	AI Infrastructure	Millennials & Gen Z	Equality, Inclusion & Diversity		Deglobalisation	Decarbonisation	Agriculture & Food
Rise of China Tech			Rise of the Middle Class		Rise of Tension	Protect Biodiversity	Natural Resources
Blockchain	Cybersecurity		Rise of EM Consumer		Economic Resilience	Grid Infrastructure	Water
HealthTech	Digital Health		Wellness			Sustainable Mobility	
Industry 4.0	Digital Infrastructure					Sustainable Energy Production	
Next Gen Communications	Fintech & Digitalisation of Finance					Sustainable Energy Storage	
Physical AI & Robotics	Gaming & Entertainment					Sustainable Food	
Semiconductors	Internet of Things					Sustainable Cities	
Smart Materials & Nano Tech	Metaverse					Sustainable Resource Management	
Space	Platforms & Digital Markets					Extreme Events	
Quantum Computing	Social Media & Media					Strategic Metals & Rare Earths	
						Nuclear	

Source: WisdomTree. As of April 2026.

The Strategic Thematic Asset Allocation of our multi-thematic ETFs uses the classification to determine which themes are eligible for selection. Then, on an annual basis, themes are selected based on conviction and diversification. The goal is to seek longer-term growth within high-conviction themes and improve diversification by acknowledging that themes can behave very differently because they're driven by different forces (regulation, breakthroughs, consumer behaviour or geopolitics).

When to lean in and when to hold back

Now, even if your selection of long-term themes is right, the market can still make you feel wrong. Themes go through hype cycles and sentiment swings. It is, therefore, very important to consider such changes in a multi-thematic allocation.

The Tactical Thematic Asset Allocation allows for separating long-term conviction from shorter-term conditions. WisdomTree's multi-thematic ETFs use a strategic layer (a long-term core set of themes) and then a tactical layer that can tilt weights up or down as conditions change.

Themes can be overweighted or underweighted by up to 50% using momentum signals on a quarterly basis. Note that themes are not fully divested as they remain long-term convictions.

This approach seeks to adjust exposures based on market conditions, although it does not eliminate timing risk.

Building portfolios that truly match the theme

Here's the uncomfortable truth: many thematic funds end up owning a lot of the same mega-cap tech stocks you already hold in broad market or Nasdaq-style exposures. It is therefore easy to miss smaller, purer companies that are more directly tied to the theme. This is why portfolio construction rules matter, not just marketing labels.

The Tactical Stock Selection in our multi-thematic ETFs uses the same five practical pillars that we use in our single-theme ETFs to create an individual portfolio for each theme in the multi-thematic ETFs:

- **Alignment:** Each theme portfolio rules are tailor-made for the theme to ensure that the portfolio exhibits high beta to the theme.
- **Expertise:** The investment process for each theme portfolio leans on real thematic expertise for that specific theme.
- **Purity:** Each theme portfolio owns true specialist companies with high beta to the theme.
- **Differentiation:** Each theme portfolio has low overlap with the market and with broad tech benchmarks.
- **Discipline:** The investment process for each theme portfolio is consistent in time and does not drift with the latest fad.

In practice, this means once the theme has been selected through the Strategic Thematic Asset Allocation and weights for each theme have been decided based on the Tactical Thematic Asset Allocation, the stock selection is done theme by theme using a tailor-made investment process for each theme.

Conclusion

Thematic investing is one of the most exciting ways to align a portfolio with how the world is changing. It can also be one of the easiest ways to get lost.

The [WisdomTree Megatrends UCITS ETF \(WMGT\)](#) and [WisdomTree Tech Megatrends UCITS ETF \(TMGT\)](#) use a clear thematic map, spread risk across multiple themes, adjust exposures over time as conditions shift, and build portfolios for each theme with a process that favours real thematic alignment over marketing labels.

Investing in thematic equities involves risks, including market volatility, concentration risk in specific sectors or themes, and potential underperformance relative to broader markets.

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.

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.