

WisdomTree Team8 Cybersecurity UCITS Index Methodology

WISDOMTREE®

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Index construction

The WisdomTree Team8 Cybersecurity UCITS Index aims to track the performance of companies positioned to benefit from the long-term growth of cybersecurity as an essential foundation of the digital and Artificial Intelligence (AI) economy.

Developed by WisdomTree in collaboration with **Team8**, a global venture group specialising in cybersecurity, the Index assesses companies' positioning across key cybersecurity development themes, including areas where AI is creating new security needs. It is designed to capture companies with broad cybersecurity capabilities, specialist product leadership and exposure to areas of expected AI-driven demand acceleration, while favouring companies with stronger revenue growth.

1. Define Universe

The Index organises the cybersecurity landscape around key themes, which capture the technologies, solution areas and innovation trends shaping the industry, and against which each company's exposure is assessed.


AI Security


Perimeterless World


Security of Things


Shift-Left


Smarter Security


Data Security


Resilience & Recovery


Layer 8

2. Eligibility Screen

Companies are screened for the following eligibility requirements:

High exposure to at least one of the key cybersecurity development themes

High exposure

Market capitalisation of at least

US $300mn

Three-month median daily traded volume of at least

US $1mn

Listing on eligible developed or emerging market exchanges

including Chinese domestic listed companies that are part of the Stock Connect program[1]

3. ESG screening criteria

The Index applies environmental, social and governance (ESG) screens to the eligible universe, based on data from third-party ESG provider. Exclusions criteria are outlined in the WisdomTree's standard ESG framework. ESG screening is reviewed quarterly. The exclusions apply only to companies covered by the ESG data provider.

Team8

WisdomTree partners with Team8 to bring deep cybersecurity expertise to the Index.

Drawing on its network of senior security executives, cyber and intelligence experts, technologists, entrepreneurs and global advisers, Team8 helps identify the cyber development themes shaping the future of cybersecurity, as well as the Priority Themes. It also helps assess each company's exposure to these themes through their products and solutions and contributes its view of leading products within specific cybersecurity solution categories.

TEAM8™

1 Stock Connect program is a unique collaboration between the Hong Kong, Shanghai and Shenzhen Stock Exchanges, which allows international and Mainland Chinese investors to trade securities in each other's markets through the trading and clearing facilities of their home exchange.

4. Company selection

Companies in the eligible universe are assessed on two scores:

+ The **Focus Score** measures how strongly a company is positioned in cybersecurity, both through the breadth and leadership of its offering and through its exposure to the areas best placed to capture future demand, including AI-driven tailwinds.
+ The **Growth Score** uses estimated revenue growth as an indicator of how a company is expected to monetise and capture cybersecurity demand, relative to the rest of the eligible universe.

Each company's Focus Score is made up of three complementary signals:

Focus Score

= Cybersecurity Breadth + Product Leadership + Priority Themes

1. Cybersecurity Breadth

Reflects how widely a company is exposed across the eight development themes.

+ **Broad Focus** is defined as high exposure in at least 50% of themes.
+ **Narrow Focus** is defined as high exposure in at least one theme.

2. Product Leadership

Marks a company classified as a leader in specific cybersecurity solution categories, regardless of its breadth.

3. Priority Themes

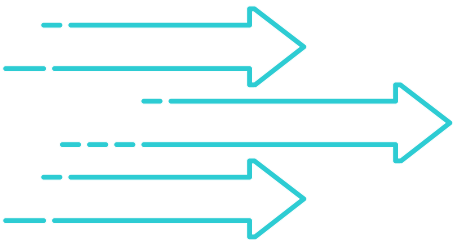
Reflect a company's exposure to the areas where cybersecurity demand is expected to accelerate. Currently these are AI Security, Smarter Security and Perimeterless World.

Component	Score
Cybersecurity Breadth	**40%** score for Broad Focus; 0 for Narrow Focus
Product Leadership	**30%** score for product leaders; 0 otherwise
Priority Themes	**20%** score if exposure is 50% or higher; **30%** score if exposure is 50% or higher and the company is also a product leader; 0 otherwise

Growth Score

The Growth Score uses the estimated two-year revenue CAGR, falling back to the one-year estimate and then to trailing twelve-month (ttm) revenue growth where estimates are unavailable. Estimates are used only if at least five analysts contribute to them.

Companies are ranked against the rest of the eligible cybersecurity universe, so the Growth Score adapts to different market and growth environments.



Growth Score Classification	Definition
Growing Fast & Scale	"Growing Fast" companies that are among the 10 largest by ttm sales in that group, provided their ttm sales are above the median of the eligible universe
Growing Fast	Growth Score above the median of the eligible universe
Growing	Growth Score at or below the median, but above the bottom 20%
Growing & Decelerating	40% of the universe, with ttm revenue growth below the estimated forward growth, a sign that growth is slowing
Excluded	Growth Score in the bottom 20% of the universe

5. Weighting approach

Companies are initially equally weighted, with **Focus Score** and **Growth Score** adjustments then applied in a two-step process to tilt the portfolio towards companies with stronger cybersecurity positioning and growth characteristics.

Step 1.

- Start with equal weighting
- Adjust weights based on each company's Focus Score, using the following weight factor: **Focus weight factor = 1 + Focus Score**

Step 2.

- Use the adjusted weights from Step 1
- Adjust weights based on each company's Growth Score classification:

Relevancy Score	Weight factor
Growing Fast and Scale	**1.5x** (upweight)
Growing Fast	**1.2x** (upweight)
Growing	**1x**
Growing and Decelerating	**0.8x** (downweight)

Following these adjustments, all weights are normalised to ensure the total portfolio weight sums up to 100%.

Additional weight adjustments

- The combined weight of all companies with a weight above 5% is capped at 37.5% at each rebalance
- Market cap factor at $50Bn effectively capping each company's weight at the ratio of each company's market capitalisation divided by $50Bn.
- Volume factor at $400mn effectively capping each company's weight at the ratio of each company's median daily volume traded over the preceding three months divided by $400mn.
- Weight from capped constituents is proportionately redistributed across the constituents whose weights are not affected by caps.

Rebalance

The Index is rebalanced **semi-annually** in March and September. All constituents and weights are reviewed and updated accordingly.

Governance

The Index is overseen by the WisdomTree Cybersecurity Index Committee, which ensures consistent application of the methodology, regular updates and handles exceptional cases.

Key Features

- Global exposure to companies involved in cybersecurity, selected and weighted through a framework designed to capture AI-driven demand
- Differentiated weighting approach, combining Focus and Growth factors to tilt towards companies with stronger cybersecurity positioning and growth characteristics
- Expert-led framework developed by WisdomTree with Team8, mapping the industry across key cyber-security development themes
- Liquidity, market capitalisation and ESG screens
- Focus Score assessing cybersecurity positioning through Cybersecurity Breadth, Product Leadership and exposure to Priority Themes
- Concentration cap on the largest positions
- Growth Score based on a forward-looking view of revenue growth, with the weakest growers excluded
- Semi-annual reconstitution and rebalancing in March and September

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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 Factors’ 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.

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For investors in France

Further information regarding the WisdomTree exchange-traded product(s) detailed herein, such as a detailed list of the underlying investments and the indicative net asset value, can be obtained by visiting the WisdomTree website at (www.wisdomtree.eu).

The product is intended for retail investors who: (i) can withstand capital loss, are not seeking to preserve capital and are not seeking a capital guarantee; (ii) have specific knowledge or experience in investing in similar products and in the financial markets; and (iii) are looking for a product that provides exposure to the performance of the underlying asset(s) and have an investment horizon in line with the recommended holding period indicated in the KID.

In addition, the indicative net asset value is shown on the Reuters and Bloomberg pages of the product and may also be mentioned on the websites of the product's listing venues.

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Investors should carefully read the specific risks detailed under the section entitled 'What are the risks and what could I get in return?' in the Key Information Document for Packaged Retail and Insurance-based Investment Products (PRIIPs KID) and under the section entitled 'Risk Factors' in the Prospectus of the Issuer for further details of risks associated with an investment in the product detailed herein.

Investors are advised that the prospectus is available in French and English.

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Investors should note that, relative to the expectations of the Autorité des Marchés Financiers, this UCITS presents disproportionate communication on the consideration of non-financial criteria in its management.

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