

# Diverging Paths: A Look at WisdomTree's Best and Worst ETFs in Q1 2025

Published April 10, 2025

**Christopher Gannatti, CFA**

Global Head of Research

## Key Takeaways

- In Q1 2025, the [WisdomTree Efficient Gold Plus Gold Miners Strategy Fund \(GDMN\)](#) led all performers, benefiting from a capital-efficient structure that captured gains in both gold futures and gold mining equities amid persistent inflation concerns and geopolitical instability.
- The [WisdomTree China ex-State-Owned Enterprises Fund \(CXSE\)](#) outperformed despite geopolitical headwinds, as its targeted exposure to Chinese technology firms capitalized on a quiet rebound in the country's equity markets.
- Thematic strategies like the [WisdomTree BioRevolution Fund \(WDNA\)](#) and [WisdomTree Cloud Computing Fund \(WCLD\)](#) faced double-digit losses, revealing how long-term innovation narratives can falter in the face of short-term valuation resets and macroeconomic volatility.

The return data in the text that follows was through April 1, 2025, the day before the recent round of tariff announcements and reactions, touted as '[Liberation Day](#).' Markets have been volatile, and even if this data does tell us about the first quarter of 2025, the picture as of April 10, 2025 looks a lot different.

In our opinion, this is one of the strengths of the [WisdomTree Performance at a Glance Tool](#) within WisdomTree's Path Suite of tools. Every day, investors are able to see the best and worst performers across WisdomTree's range of ETFs, allowing for the most updated possible data. We certainly use this frequently and will be continuing to publish updated articles as we learn more about the current environment and the performance that we are seeing.

## The Top Five ETFs

### Gold and Gold Mining Equities

The Fund at the top of the leaderboard—the [WisdomTree Efficient Gold Plus Gold Miners Strategy Fund \(GDMN\)](#)<sup>1</sup>—didn't just outperform. It broke the mold. Most investors still view gold as an inert hedge, something you own when you fear the world is about to come undone. But in the first three months of 2025, gold surged for reasons far more nuanced: central banks accumulated reserves at a brisk pace<sup>2</sup>; geopolitics offered little reassurance; and inflation, though retreating, showed hints of embedded persistence.<sup>3</sup> What made [GDMN](#) exceptional wasn't just its exposure to gold—it was the capital-efficient

structure that overlaid gold futures onto an exposure to gold mining stocks.<sup>4</sup> In an environment where both bullion and gold mining stocks moved higher, [GDMN](#) was strong on both components of this trade. Most investors weren't looking for gold to outperform equity markets, but it did. We also remind investors that gold miners tend to represent a leveraged exposure to the price of gold, meaning if the price of gold is rising, mining stocks can deliver an even larger response. Of course, this can also work in opposite fashion if gold's price falls. In this period, [GDMN's](#) exposure to gold miners AND gold worked beautifully in the positive direction.

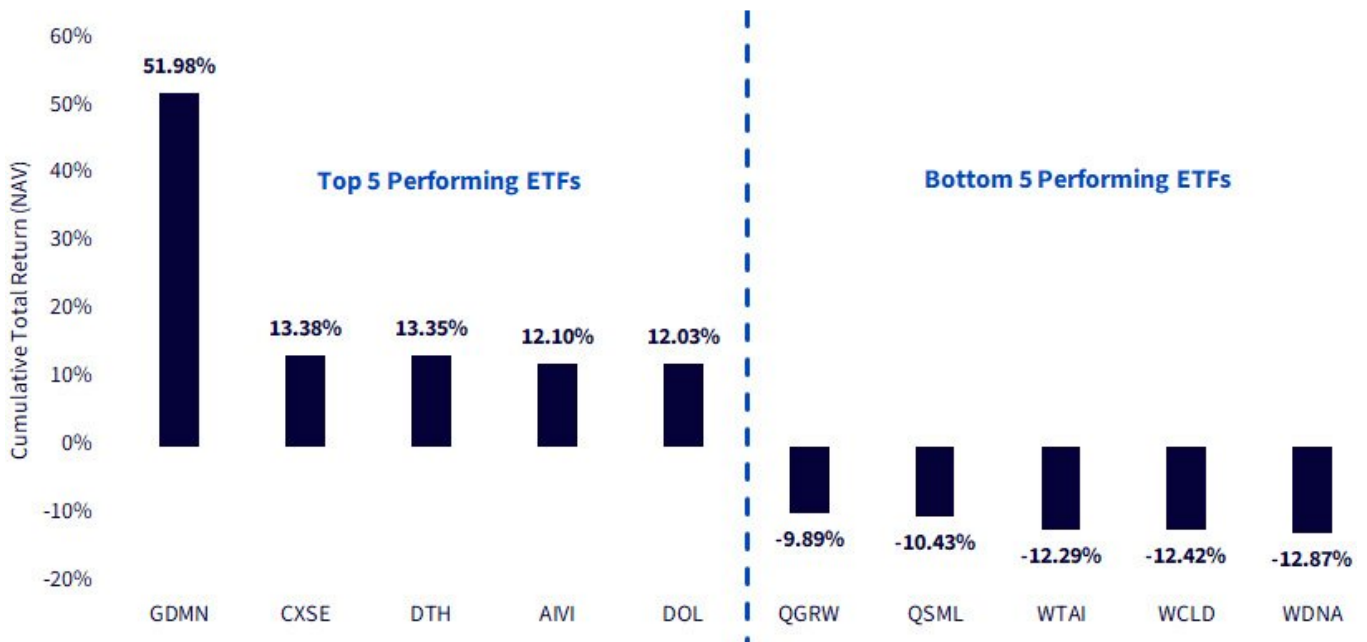
## A Q1 2025 Surprise—Chinese Equities

Just below it on the performance tables was the [WisdomTree China ex-State-Owned-Enterprises Fund \(CXSE\)](#),<sup>5</sup> a Fund that cuts a deliberate path through the complexity of Chinese equities. In 2025, the first thought of most U.S. investors on China is likely about the intense, ongoing geopolitical rivalry. Headlines generated by the Trump Administration or other politicians definitely capture an adversarial tone. Yet, in the face of that noise, Chinese technology-focused equities<sup>6</sup> delivered a strong Q1 2025, at least viewed relative to other global equity markets, and [CXSE's](#) exposure tilted more in this direction than toward other sectors.

## Developed International Value Strategies

Meanwhile, a quiet but important theme re-emerged: developed international dividends and the developed international value style got interesting again. The [WisdomTree International High Dividend Fund \(DTH\)](#)<sup>7</sup>, the [WisdomTree International AI Enhanced Value Fund \(AIVI\)](#)<sup>8</sup> and the [WisdomTree International LargeCap Dividend Fund \(DOL\)](#)<sup>9</sup> may not scream excitement, but their performance reveals something about how investor preferences are shifting. As the U.S. dollar depreciated<sup>10</sup>—and as rate expectations turned dovish<sup>11</sup>—income streams abroad became more attractive. European and Japanese firms, long dismissed, started showing signs of operational resilience. And in a world with AI-driven hype cycles, [AIVI](#) stood out by using AI not as a theme to chase, but as a tool to allocate—with algorithms learning where fundamentals were quietly improving, and, in this period, avoiding the classic "traps"<sup>12</sup> that have long haunted traditional value funds.

## Figure 1: WisdomTree's Top and Bottom Five Performing ETFs in Q1 2025



Source: WisdomTree, specifically data from the Fund Comparison Tool in the PATH suite of tools, as of 3/31/25. NAV denotes total return performance at net asset value. MP denotes market price performance. For AIVI, the Fund's objective and strategy changed effective 1/18/22. Prior to that date, Fund performance reflects the investment objective of the Fund when it was the WisdomTree International Dividend ex-Financials Fund (DOO) and tracked the performance, before fees and expenses, of the WisdomTree International Dividend ex-Financials Index. **Past performance is not indicative of future results. Investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than the performance data quoted. For the most recent month-end and standardized performance and to download the respective Fund prospectuses, click the relevant ticker: [GDMN](#), [CXSE](#), [DTH](#), [AIVI](#), [DOL](#), [WDNA](#), [WCLD](#), [WTAI](#), [QSML](#), and [QGRW](#).**

## The Bottom 5 ETFs—Possible Opportunities in the Future

Every quarter has its stars—but it also has its strugglers. And often, those two groups rhyme more than they clash. The five worst-performing WisdomTree ETFs from January to April 2025 aren't just a list of laggards; they're a reminder that the road to transformative opportunity is rarely linear, and is often paved with drawdowns.

### Three Thematic Strategies

At the bottom of the list sits the [WisdomTree BioRevolution Fund \(WDNA\)](#).<sup>13</sup> Down nearly 13% over the period, it captures a hard truth about biotech and life sciences: progress is exponential, but equity performance is cyclical. The most recent great environment for equity performance among these companies was in 2020 and 2021 when interest rates across developed markets were at or near zero and governments were printing money. When there is macroeconomic volatility, it may not shift the science that these firms

are pursuing, but it can make it more difficult for them to raise money. It could also place a higher burden on investors to understand more about the new scientific endeavors the companies are pursuing.

Just ahead of it, the [WisdomTree Cloud Computing Fund \(WCLD\)](#),<sup>14</sup> declined by 12.4%. At first glance, this seems counterintuitive. Isn't AI booming? Isn't software "eating the world"<sup>15</sup>? Yes—but cloud stocks in Q1 faced a valuation reset. Investors are seeking to figure out how much the popular large language models (LLMs) can do without additional software and how many software companies can effectively prove their added value over and above the popular LLMs.

The story of the [WisdomTree Artificial Intelligence and Innovation Fund \(WTAI\)](#),<sup>16</sup> is more nuanced. WTAI focuses on an expansive interpretation of the AI value chain—semiconductors, enablers, robotics and automation. Technology, broadly speaking, was not a high-performing area of U.S. equity markets in Q1 2025. In short, AI proliferation is proceeding apace—OpenAI noted that they currently have more than 500 million WEEKLY active users<sup>17</sup>—but the general public market equity performance did not reflect this in Q1 2025.

The two remaining names—the [WisdomTree U.S. SmallCap Quality Growth Fund \(QSML\)](#)<sup>18</sup> and the [WisdomTree U.S. Quality Growth Fund \(QGRW\)](#)<sup>19</sup>—tell a broader story about *style headwinds*. In Q1, quality growth struggled not because the companies were bad, but because the narrative was elsewhere. In particular, we would note that many were looking at the Magnificent 720, prominently featured in [QGRW's](#) underlying exposures, and worrying about valuation in recent years. These companies have become notably less expensive of late.

## Conclusion: A Transparent Set of Tools to Capture Relevant Investment Stories

At WisdomTree, we have a suite of [PATH tools](#), one of which allows investors to see the [top five and bottom five performing ETFs](#) over different time horizons, refreshed with daily performance data. Since investment markets can be volatile, it's useful to continue visiting this site to see how the picture evolves.

1 The WisdomTree Efficient Gold Plus Gold Miners Strategy Fund seeks total return by investing in gold miners and gold futures contracts.

2 Source: Ines Ferre, "Gold Demand Hits Record Levels as Central Banks Buy at 'Eye-Watering' Pace." Yahoo!Finance, 2/5/25.

3 Source: Panday et al., "Economic Research: Economic Outlook U.S. Q2 2025: Losing Steam Amid Shifting Policies," *S&P Global*, 3/25/25.

4 Refers to how the strategy is structured such that \$100 invested would lead to notional exposure of \$90 to gold miners and \$90 to gold futures.

5 CXSE is designed to track the total return performance, before fees and expenses, of the WisdomTree China ex-State-Owned-Enterprises Index.

6 There is a recognition that "technology-focused" equities could be included in such sectors as Communication Services, Consumer Discretionary and Information Technology.

7 DTH is designed to track the total return performance, before fees and expenses, of the WisdomTree International High Dividend Index.

8 AIVI seeks income and capital appreciation by investing primarily in equity securities selected from a universe of developed market equities, excluding the U.S. and Canada, that exhibit value characteristics based on the selection results of a proprietary, quantitative artificial intelligence (AI) model developed by Voya Investment Management Co., LLC.

9 DOL is designed to track the total return performance, before fees and expenses, of the WisdomTree International LargeCap Dividend Index.

10 Source: Jon Sindreu, "Trump's Tariffs Were Supposed to Boost the Dollar. Why the Opposite Happened," *Wall Street Journal*, 4/3/25.

11 Jed Graham, "Dovish Fed Sees Slow Growth, 'Transitory' Tariff Inflation; S&P 500 Rallies," *Investors Business Daily*, 3/19/25.

12 Refers to the concept of a "value trap," where a company has an inexpensive valuation but also a very high risk and that valuation keeps getting more and more inexpensive.

13 WDNA is designed to track the total return performance, before fees and expenses, of the WisdomTree BioRevolution Index.

14 WCLD is designed to track the total return performance, before fees and expenses, of the BVP Nasdaq Emerging Cloud Index.

15 Source: Marc Andreessen, "Why Software Is Eating the World," *Wall Street Journal*, 8/20/11.

16 WTAI is designed to track the total return performance, before fees and expenses, of the WisdomTree Artificial Intelligence and Innovation Index.

17 Source: Hayden Field and Kate Rooney, "OpenAI Closes \$40 Billion Funding Round, Largest Private Tech Deal on Record," *CNBC*, 3/31/25.

18 QSML is designed to track the total return performance, before fees and expenses, of the WisdomTree U.S. SmallCap Quality Growth Index.

19 QGRW is designed to track the total return performance, before fees and expenses, of the WisdomTree U.S. Quality Growth Index.

20 Magnificent 7 refers to Amazon.com, Apple, Alphabet, Microsoft, Meta Platforms, Nvidia and Tesla.

## Important Risks Related to this Article

There are risks associated with investing, including the possible loss of principal. Please read each Fund's prospectus for specific details regarding the Fund's risk profile.

**GDMN:** The Fund is actively managed and invests in U.S.-listed gold futures and global equity securities issued by companies that derive at least 50% of their revenue from the gold mining business ("Gold Miners"). The Fund's use of U.S.-listed gold futures contracts will give rise to leverage, magnifying gains and losses and causing the Fund to be more volatile than if it had not been leveraged. Moreover, the price movements in gold and gold futures contracts may fluctuate quickly and dramatically, and have a historically low correlation with the returns of the stock and bond markets. By investing in the equity securities of Gold Miners, the Fund may be susceptible to financial, economic, political or market events that impact the gold mining sub-industry, including commodity prices and the success of exploration projects. The Fund may invest a significant portion of its assets in the securities of companies of a single country or region, including emerging markets, and thus, the Fund is more likely to be impacted by events and political, economic or regulatory conditions affecting that country or region, or emerging markets generally. The Fund's investment strategy will also require it to redeem shares for cash or to otherwise include cash as part of its redemption proceeds, which may cause the Fund to recognize capital gains.

**CXSE:** Foreign investing involves special risks, such as risk of loss from currency fluctuation or political or economic uncertainty. The Fund focuses its investments in China, including A-shares, which include the risk of the Stock Connect program, thereby increasing the impact of events and developments associated with the region which can adversely affect performance. Investments in emerging or offshore markets are generally less liquid and less efficient than investments in developed markets and are subject to additional risks, such as risks of adverse governmental regulation and intervention or political developments. The Fund's exposure to certain sectors may increase its vulnerability to any single economic or regulatory development related to such sectors. As this Fund can have a high concentration in some issuers, the Fund can be adversely impacted by changes affecting those issuers.

**DTH:** Foreign investing involves special risks, such as risk of loss from currency fluctuation or political or economic uncertainty. Dividends are not guaranteed, and a company currently paying dividends may cease paying dividends at any time. Funds focusing their investments on certain sectors increase their vulnerability to any single economic or regulatory development. This may result in greater share price volatility.

**AIVI:** Investments in non-U.S. securities involve political, regulatory and economic risks that may not be present in U.S. securities. For example, foreign securities may be subject to risk of loss due to foreign currency fluctuations, political or economic instability, or geographic events that adversely impact issuers of foreign securities. Funds focusing their investments on certain sectors increase their vulnerability to any single economic or regulatory development. This may result in greater share price volatility. While the Fund is actively managed, the Fund's investment process is expected to be heavily dependent on a quantitative model and the model may not perform as intended.

**DOL:** Foreign investing involves special risks, such as risk of loss from currency fluctuation or political or economic uncertainty. Funds focusing their investments on certain sectors increase their vulnerability to any single economic or regulatory development. This may result in greater share price volatility. Dividends are not guaranteed, and a company currently paying dividends may cease paying dividends at any time.

**WDNA:** The Fund invests in BioRevolution companies, which are companies significantly transformed by advancements in genetics and biotechnology. BioRevolution companies face intense competition and potentially rapid product obsolescence. These companies may be adversely affected by the loss or impairment of intellectual property rights and other proprietary information or changes in government regulations or policies. Additionally, BioRevolution companies may be subject to risks associated with genetic analysis. The Fund invests in the securities included in, or representative of, its Index regardless of their investment merit and the Fund does not attempt to outperform its Index or take defensive positions in declining markets. The composition of the Index is governed by an Index Committee and the Index may not perform as intended.

**WCLD:** The Fund invests in cloud computing companies, which are heavily dependent on the internet and utilizing a distributed network of servers over the internet. Cloud computing companies may have limited product lines, markets, financial resources or personnel and are subject to the risks of changes in business cycles, world economic growth, technological progress and government regulation. These companies typically face intense competition and potentially rapid product obsolescence. Additionally, many cloud computing companies store sensitive consumer information and could be the target of cybersecurity attacks and other types of theft, which could have a negative impact on these companies and the Fund. Securities of cloud computing companies tend to be more volatile than securities of companies that rely less heavily on technology and, specifically, on the internet. Cloud computing companies can typically engage in significant amounts of spending on research and development, and rapid changes to the field could have a material adverse effect on a company's operating results. The composition of the Index is heavily dependent on quantitative and qualitative information and data from one or more third parties and the Index may not perform as intended.

**WTAI:** The Fund invests in companies primarily involved in the investment theme of artificial intelligence (AI) and innovation. Companies engaged in AI typically face intense competition and potentially rapid product obsolescence. These companies are also heavily dependent on intellectual property rights and may be adversely affected by loss or impairment of those rights. Additionally, AI companies typically invest significant amounts of spending on research and development, and there is no guarantee that the products or services produced by these companies will be successful. Companies that are capitalizing on innovation and developing technologies to displace older technologies or create new markets may not be successful. The Fund invests in the securities included in, or representative of, its Index regardless of their investment merit and the Fund does not attempt to outperform its Index or take defensive positions in declining markets. The composition of the Index is governed by an Index Committee and the Index may not perform as intended.

**QSML:** Growth stocks, as a group, may be out of favor with the market and underperform value stocks or the overall equity market. Growth stocks are generally more sensitive to market movements than other types of stocks. Funds focusing their investments on certain sectors and/or smaller companies increase their vulnerability to any single economic or regulatory development. This may result in greater share price volatility. The Fund is non-diversified. As a result, changes in the market value of a single security could cause greater fluctuations in the value of Fund shares than would occur in a diversified fund. The Fund invests in the securities included in, or representative of, its Index regardless of their investment merit. The Fund does not attempt to outperform its Index or take defensive positions in declining markets and the Index may not perform as intended. The securities of small-capitalization companies generally trade in lower volumes and are subject to greater and more unpredictable price changes than larger capitalization stocks or the stock market as a whole. Small-capitalization companies may be particularly sensitive to adverse economic developments as well as changes in interest rates, government regulation, borrowing costs and earnings. The Fund is new and has limited operating history.

**QGRW:** Growth stocks, as a group, may be out of favor with the market and underperform value stocks or the overall equity market. Growth stocks are generally more sensitive to market movements than other types of stocks. The Fund is non-diversified. As a result, changes in the market value of a single security could cause greater fluctuations in the value of Fund shares than would occur in a diversified fund. The Fund invests in the securities included in, or representative of, its Index regardless of their investment merit. The Fund does not attempt to outperform its Index or take defensive positions in declining markets and the Index may not perform as intended.