Beyond Rare Earths: The Architecture of WDIG

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The **WisdomTree Efficient Rare Earth Plus Strategic Metals Fund (WDIG)** is built on the view that strategic materials are no longer a peripheral commodity story. They are increasingly central to:

- Industrial policy
- National security
- Electrification
- Advanced manufacturing
- Supply-chain resilience

Rare earths remain a critical part of that thesis, particularly because of their role in permanent magnets, defense systems and high-performance industrial applications. But rare earths alone are too narrow a lens.

> *In our view, the broader opportunity spans a wider set of strategic and critical materials, including copper, lithium, aluminum, silver, platinum-group metals and other specialty metals whose importance comes not only from end demand, but from where they sit inside constrained supply chains.*

The U.S. critical-minerals framework itself reflects that broader reality, organizing strategic materials across:

- Batteries
- Power grids
- Magnets
- Chip materials
- Defense
- Industrial uses

Importantly, this is not about isolating rare earths as a standalone story.

WDIG's structure reflects that wider view. The strategy combines metals-related equities with metals futures exposure in a capital-efficient format.

The underlying metals and the companies tied to those metals are related, but they are not identical exposures.

- Metals futures exposures can capture the direct economics of scarcity, tightness and repricing.
- Equities can capture reserve quality, project execution, processing capability, downstream positioning, jurisdictional advantage and capital discipline.

In our view, WDIG works best when understood not as a simple commodity allocation and not as a simple mining allocation, but as a portfolio built around the strategic repricing of material dependence.

Strategic Materials Have Moved From Inputs to Chokepoints

For years, many of the materials that power modern industrial systems were treated as background inputs. They mattered, but they were rarely where the conversation began. The narrative usually started further downstream: electric vehicles, semiconductors, data centers, defense systems, industrial automation, renewable power. The materials that were critical inputs to these things sat upstream, mostly out of view.

That framework is breaking down.

Today, the market is being forced to think more seriously about what sits underneath those downstream systems. The U.S. critical-minerals framework is useful because it does not define a material as "critical" simply because it is fashionable or because demand is rising. It defines criticality more structurally[1]:

A mineral matters when it is essential to economic well-being or national security, faces meaningful supply-disruption risk and lacks ready substitutes without serious cost or performance penalties.

That is a much better lens for portfolio construction.

It pushes the discussion away from short-term commodity enthusiasm and toward a more disciplined set of questions.

- Which materials are genuinely hard to replace?
- Which are bottlenecks for systems the market already values highly?

For the Fund's current holdings, click here: WDIG.

[1] Source: U.S. Geological Survey. (2025, November 6). *What are critical minerals?* U.S. Department of the Interior.

- Which supply chains are concentrated in one country or one processing node?
- Which materials matter not only because demand is rising, but because the ability to scale supply is limited by chemistry, permitting, infrastructure or geopolitics?

The answer is that a surprising number of them now sit at the center of strategic competition.

Rare Earths Still Matter Most to the Public Narrative for Good Reason

Rare earths remain central because they sit inside one of the clearest and most strategically sensitive bottlenecks in the modern economy:

High-performance permanent magnets.

- Neodymium and praseodymium are tied to EV motor magnets.
- Dysprosium and terbium are tied to higher-temperature, higher-performance magnet applications.
- Samarium plays an important role in certain aerospace and defense contexts.
- Gadolinium, holmium, yttrium and related elements also connect to high-value industrial, medical and defense systems.

What matters from an investment standpoint is not simply that rare earths are used in important things, but rather it is that several rare earths are used in applications where **performance requirements are high, substitutes are limited and scaling the supply chain is not trivial.**

This is where the popular phrase "rare earths" often obscures more than it clarifies. The real problem is not just finding material in the ground. Rare earth elements tend to occur together, and the hard part is separating them economically and at industrial scale. **Put another way, rare earths are not "rare" in the intuitive sense so much as difficult to separate, process and purify. That industrial complexity is what gives the midstream such strategic significance.**

That is also why China's position matters so much. China's advantage is not only mining output. It is the combination of mining, processing, refining and downstream industrial capability that was built over decades. In the magnet basket, China accounts for the large majority of mining and roughly 91% of processing[2]. More broadly: ore may be global, but high-value conversion capacity is often concentrated.

That means a portfolio built around rare earths cannot simply be a basket of companies with geological exposure; it has to address the supply chain more completely. It has to think about where

[2] Source: International Energy Agency. (2025). *Rare earth elements 2025: Executive summary*.

materials are found, where they are separated, where they are refined and where they are turned into useful industrial forms.

The Key Portfolio Insight: Rare Earths Are Necessary, but Not Sufficient

The mistake many thematic strategies make is to stop at the most obvious label.

If the label is rare earths, then everything gets forced into the rare-earth bucket. But the more useful conclusion is broader. Rare earths are one slice of the strategic-materials universe, not the whole of it. The critical-minerals framework itself spreads across batteries, magnet materials, grid materials, chip materials, industrial inputs and defense-specific metals.

That broader framing matters because the strategic problem is broader.

Example Case: Copper

Copper matters because electrification cannot happen without it. Copper sits in grids, transformers, wiring, industrial motors, data-center infrastructure, EVs and a long list of systems where there is no elegant substitute at scale. The power-grid section in the materials is explicit that the grid runs on copper and that the combination of electrification and AI-linked infrastructure adds further pressure to supply.

Example Case: Aluminum

Aluminum matters because conductivity, lightweighting and transmission matter.

Example Case: Lithium

Lithium matters because battery systems matter even if chemistry evolves.

Example Case: Silver

Silver matters because conductivity and industrial uses matter, particularly solar power.

That is why WDIG should be understood as a broader strategic-materials architecture rather than a narrow rare-earth story.

The Real Bottleneck Is Not Just Mining

One of the most important ideas is that mining is only one stage in the value chain.

The full cycle runs from exploration and discovery to extraction, then through processing, refining, manufacturing and eventually end-of-life recycling. The highest-value and most strategically

constrained portions of that chain are often not the first stage. They are the middle stages, where raw material becomes usable industrial input.

This point is crucial for portfolio design.

A strategy built only around "finding and digging" misses a large part of where the strategic advantage actually sits.

- Processing is energy-intensive, technically complex and environmentally difficult.
- Refining requires specialized infrastructure and expertise.
- Manufacturing is where separated or refined material is turned into cathodes, magnets, alloys, wafers, feedstock and other useful forms.

China's advantage has been built not only through mining but through chemistry expertise, chemical industrial parks, cheap and scalable energy, faster timelines and coordinated buildout across the chain[3].

That is exactly why the company mix inside WDIG matters so much.

The portfolio not only demonstrates exposure across many metals. It also demonstrates exposure across many stages of industrial conversion. Some companies are primarily exposed to finding or developing deposits. Some are primarily exposed to extraction at scale. Some are tied more directly to processing, refining, alloys, specialty materials or downstream manufacturing.

That industrial range is part of the strategy's edge.

Why the Equity Sleeve Matters

The strategy spans rare earths, copper, lithium, silver, aluminum, zinc, nickel, platinum, tin, diversified miners, vanadium and a wider "other strategic" category. That is exactly the kind of cross-sectional breadth you would want if the goal is to demonstrate that the strategy is built around a system rather than a slogan.

[3] Sources: **International Energy Agency. (2026).** *Rare earth elements.* IEA; **Milhollin, L., & Grosman, V. (2024, January 29).** *What China's ban on rare earths processing technology exports means.* Center for Strategic and International Studies.

Figure 1: Metals Exposure within the WDIG Equity Sleeve

Metal Exposure Category	Equity Proportional Strategy Weight
Other Strategic Metals	22.05%
Rare Earth Elements	17.34%
Copper	15.73%
Diversified Metals Exposure	11.65%
Lithium	8.98%
Silver	7.28%
Aluminum	4.61%
Nickel	3.85%
Zinc	3.50%
Platinum	3.07%
Tin	1.54%
Vanadium	0.42%
Total Equity Exposure	**100.00%**

Sources: WisdomTree, FactSet and Bloomberg, with data as of April 27, 2026. **Subject to change.**

More importantly, the holdings also span multiple industrial roles. Taken together, they show exposure to:

- companies finding and proving deposits,
- companies extracting metals from the ground,
- companies processing and refining those materials,
- and companies turning them into useful industrial forms such as alloys, advanced materials or downstream feedstocks.

In our view, that is the right way to think about the equity sleeve.

Rare Earths: resource ownership, separation, magnet-chain rebuilding

The rare-earth sleeve is where the portfolio most directly engages with the Western effort to build alternatives to Chinese dominance.

Lynas Rare Earths is important because it is not simply a rare-earth mine story. It is one of the clearest non-Chinese processing and separation stories of scale. That makes it strategically important in a way

that goes beyond resource ownership. If the real bottleneck in rare earths is chemical separation and industrial refinement, then a company like Lynas deserves a central role[4].

MP Materials plays a related but distinct role. It is the clearest public-market expression of the U.S. rare-earth rebuilding effort through Mountain Pass and the attempt to push further downstream. That matters because Western rare-earth resilience depends not just on mining, but on whether separated and refined product can increasingly be produced outside China[5].

Iluka adds another layer: mineral sands and strategic feedstock with rare-earth relevance[6].

USA Rare Earth shifts the conversation further toward downstream magnet-chain ambition[7].

Neo Performance Materials brings a more advanced-materials and magnet-adjacent angle[8].

Arafura, **Ucore**, **Australian Strategic Materials**, **Brazilian Rare Earths**, **Critical Metals** and similar names add earlier-stage or alternative-jurisdiction optionality. Some of these are higher-conviction industrial names. Some are longer-duration optionality, which means that the stories are less about 'today' and more about what could happen if future development paths play out.

But together they prove the point: the portfolio is not just buying "rare-earth miners." It is trying to own different strategic positions within the rare-earth chain.

Copper: the electrification metal and the infrastructure metal

Copper deserves its own section because it does something very important for the portfolio.

If rare earths express the magnet problem, copper expresses the electrification and infrastructure problem. Copper is foundational to the grid, transmission, industrial motors, electrified transport and data-center-related buildout.

The copper sleeve also broadens the strategy beyond highly specialized materials into a larger, more liquid and globally significant strategic metal.

That is why the presence of names like **Southern Copper**, **Freeport-McMoRan**, **Grupo México**, **Antofagasta**, **Lundin Mining**, **First Quantum**, **Hudbay**, **Ivanhoe Mines**, **Aurubis**, **JX Advanced**

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[4] Source: Lynas Rare Earths. (n.d.). *About Lynas Rare Earths*.
[5] Source: MP Materials Corp. (2026). *Annual report for the fiscal year ended December 31, 2025 (Form 10-K)*. U.S. Securities and Exchange Commission.
[6] Source: Iluka Resources. (n.d.-a). *Rare earth products*.
[7] Source: USA Rare Earth. (n.d.-a). *About us*.
[8] Source: Neo Performance Materials. (n.d.-a). *Who we are*.

Metals, **Furukawa Electric**, **Capstone**, **Sandfire**, **Ero Copper**, **Taseko** and other copper-linked companies is so important.

These are not all the same type of exposure[9].

- **Southern Copper**, **Freeport** and **Grupo México** offer scale and reserve depth.
- **Antofagasta**, **Lundin**, **First Quantum**, **Hudbay** and **Ivanhoe** bring more project and operating leverage.
- **Aurubis**, **JX Advanced Metals** and **Furukawa Electric** help extend the copper story beyond the ground and into processing, refining and useful industrial form.
- Development-stage names like **Arizona Sonoran**, **Faraday**, **ATEX**, **NGEx**, **FireFly**, **Solaris** and others help demonstrate that the portfolio is not only backward-looking to existing supply, but forward-looking to where new copper capacity might emerge.

That process breadth is exactly what you said you wanted to prove.

Lithium and battery materials: strategic exposure beyond the first cycle of hype

Lithium remains important, but the way to think about it should be more sober and structural than the usual battery-theme language.

The point is not simply that lithium may benefit from EV adoption. The point is that battery supply chains remain strategically important even after the first cycle of overexcitement and correction. Lithium sits inside a broader system of energy storage, transport electrification and industrial autonomy. The battery basket places lithium alongside graphite, nickel, manganese and cobalt, underscoring that battery materials are part of a larger critical-mineral structure rather than a standalone fad.

Inside the portfolio, names like **Albemarle**, **Pilbara**, **SQM**, **Lithium Americas**, **Lithium Argentina**, **Liontown**, **Sigma Lithium**, **Vulcan**, **Standard Lithium**, **PMET**, **American Battery Technology**, **Cosmo AM&T** and others show that the strategy is not expressing lithium through a single geography, chemistry or maturity profile.

Some holdings offer established production. Some offer development-stage optionality. Some offer more direct raw-material exposure, while others lean further toward processing or downstream

[9] Sources for bullets are meant as simple statements supported by respective company strategy pages on the different company websites.

battery-material relevance. That variety matters because the portfolio is trying to capture not just one part of the battery chain, but the strategic importance of being part of it.

Aluminum, silver, platinum and other industrially important exposures

One of the things that makes the portfolio more credible is that it does not stop with the obvious metals.

Aluminum belongs here because electrification, lightweighting, transmission and industrial manufacturing all require it. Names like **Norsk Hydro**, **Alcoa**, **Hindalco**, **Constellium**, **Century Aluminum**, **National Aluminium**, **Companhia Brasileira de Alumínio**, **Kaiser Aluminum**, **Nippon Light Metal** and **Gränges** show that the portfolio recognizes aluminum as more than a cyclical industrial metal. It is also an infrastructure and materials-engineering exposure.

Silver is valuable because it sits at the intersection of precious and industrial demand. Names such as **Wheaton Precious Metals**, **Fresnillo**, **Coeur**, **Hecla**, **First Majestic**, **Silvercorp**, **Aya**, **Endeavour Silver**, **SSR Mining**, **Avino** and **Peñoles** give the portfolio a way to own conductivity, industrial use and, in some cases, optionality to both monetary and industrial narratives.

Platinum-group exposure through names such as **Valterra Platinum**, **Impala Platinum**, **Northam**, **Sibanye**, and **Chalice** extends the strategy into catalytic systems, industrial chemistry and a metal group that remains strategically relevant in specialized applications.

Zinc, **nickel**, **tin** and **vanadium** exposures add further range. Zinc matters in corrosion protection and industrial systems. Nickel matters in stainless steel, batteries and specialty materials. Tin matters because it is a necessary but often overlooked input in electronics and solder. Vanadium matters in more niche but strategically relevant areas including steel strengthening and certain storage applications. The portfolio's presence in names tied to these buckets shows that the strategy is willing to own parts of the strategic-materials map that may be smaller in headline terms but still matter in real supply chains.

Other strategic Metals: the optionality sleeve

The "other strategic Metals" sleeve may be among the most revealing parts of the portfolio.

This is where the strategy demonstrates that it is not only buying today's winners. It is also buying exposure to potential future bottlenecks, niche chokepoints and industrial rebuild themes that may not yet be fully reflected in market structure that we see in 2026.

Names such as **Energy Fuels**, **Materion**, **ATI**, **Perpetua**, **NioCorp**, **Almonty**, **United States Antimony**, **IperionX**, **EQ Resources**, **Trilogy Metals**, **WA1**, **Larvotto**, **Nouveau Monde Graphite**, **TMC**, and others

fit here for a reason. Some are tied to antimony, tungsten, titanium, graphite or niobium-related strategic narratives. Some sit closer to advanced materials and specialty alloys. Some are development-stage or policy-sensitive. Some are clearly higher-volatility holdings. But together they do something important: **they show that the portfolio is willing to own strategic relevance before the broader market fully prices it.**

The Portfolio Also Covers the Industrial Process, Not Just the Metals

One of the easiest critiques of a strategic-materials strategy is that it may look broad on paper but still be economically narrow if all it owns are public miners. That is why the industrial-process breadth matters.

The strategy owns companies involved in **finding and proving deposits**. Development-oriented names in copper, rare earths and lithium clearly serve that purpose.

It owns companies focused on **extracting the metal from the ground**, from large-scale copper and diversified miners to more specialized rare-earth and battery-material producers.

It owns companies tied to **processing and refining**, which is arguably the most strategically important part of many critical-mineral chains. This is where names such as Lynas, MP, Aurubis, JX Advanced Metals and various advanced-materials or metal-processing companies become especially important.

And it owns companies tied to **putting metals into useful form,** including specialty alloys, advanced materials, downstream feedstocks, engineered products and industrial components. That is where names such as Materion, ATI, Carpenter, Furukawa Electric, Constellium and similar holdings begin to matter more.

That is not a trivial achievement. It means the portfolio can plausibly claim to reflect not just a map of metals, but a map of industrial conversion.

Figure 2: Country Exposure Is a Core Portfolio Decision

Country	Final Weight
United States	31.36%
Canada	16.32%
Australia	15.88%
United Kingdom	5.44%
Japan	5.37%
Indonesia	4.09%
South Africa	3.07%
Peru	2.83%
Mexico	2.65%
India	2.41%
Total in Top 10 Country Exposures	**89.42%**

Sources: WisdomTree, FactSet, Bloomberg, with data as of April 27, 2026. **Subject to change.**

Country exposure in a strategy like WDIG should not be treated as a passive output. It is part of the thesis.

The critical-minerals materials make plain that strategic vulnerability is tied not just to where resources exist, but to where the supply chain has actually been built. China's dominance is strongest in processing and refining across many categories, not necessarily because it owns every resource geologically, but because it spent decades building the industrial stack. The U.S. and its allies are now trying to rebuild portions of that stack through subsidies, permitting reform, allied sourcing and targeted industrial policy.

That means the portfolio's country exposures do more than diversify risk. They express views about where strategic capacity already exists and where it may be rebuilt.

The U.S., Canada and Australia matter because they represent much of the Western and allied rebuild story. Chile, Peru and Mexico matter because they remain central to copper and silver systems. Japan matters because advanced materials, trading houses and industrial processing capabilities still matter enormously in strategic supply chains. South Africa matters because platinum-group metals matter. Indonesia matters because nickel matters. India matters because aluminum and broader industrial metals exposure matter.

In other words, geography is not just a reporting line. It is one of the ways the portfolio expresses the transition from concentrated single-country dependence toward a more distributed but still imperfect system.

Why the Futures Sleeve Deserves Focus

Figure 3: Target Futures Sleeve Exposures

Underlying Metal	Target Weight
Aluminium (LME)	20.00%
Copper (COMEX)	10.00%
Copper (LME)	10.00%
Nickel (LME)	10.00%
Platinum (COMEX)	10.00%
Silver (COMEX)	10.00%
Tin (LME)	10.00%
Zinc (LME)	10.00%
Lead (LME)	10.00%
Total Proportionate Futures Exposure	**100.00%**

Sources: WisdomTree, Bloomberg, FactSet, with data as of April 27, 2026. **Subject to change.**

A great deal of strategic-minerals commentary focuses on equities because that is where most public investors can easily allocate. But one of the most useful observations in the deck you shared is that many critical-mineral markets remain thin, opaque and poorly financialized. Some are dominated by bilateral contracts rather than transparent public pricing, which complicates hedging, financing and even basic price discovery.

That observation strengthens the case for WDIG's capital-efficient structure.

The futures sleeve is not simply an add-on. It is one of the ways the strategy keeps direct exposure to underlying material repricing rather than expressing everything through public equities, whose valuations can be shaped by factors that are only partly about the metal itself.

That distinction is important.

- When strategic scarcity reprices, sometimes the metal moves first.
- When project execution, policy support or processing differentiation begins to matter more, sometimes the equities move more.

The combination of futures and equities is therefore not redundancy. It is a recognition that strategic-material repricing can transmit through different channels.

The Right Way to Understand WDIG

The wrong way to understand WDIG is as a narrow rare-earth fund that happens to own a few adjacent names.

The better way to understand it is as a portfolio built around the idea that strategic materials are now being repriced along several dimensions at once.

- They are being repriced because they are essential to downstream systems that matter more than ever.
- They are being repriced because supply chains are more concentrated than many assumed.
- They are being repriced because processing and refining bottlenecks matter as much as mining.
- They are being repriced because the West is trying—slowly, unevenly, but meaningfully—to rebuild parts of the chain.
- And they are being repriced because the market increasingly has to distinguish between owning a metal, owning a mine, owning a processor and owning a company that turns the material into something useful.

That is what gives WDIG its logic.

Rare earths sit at the center because magnets, defense and industrial capability still make them the cleanest public symbol of the strategic-material problem. But copper, lithium, aluminum, silver, platinum-group metals and a wider set of "other strategic" names ensure that the strategy is not trapped inside a single label. And the mix of explorers, developers, miners, processors, refiners and advanced-materials companies helps show that the portfolio is trying to own a full industrial system rather than a headline theme.

Conclusion

In our view, the most useful way to think about WDIG is not as a bet on a single commodity cycle. It is a view on the growing strategic importance of the materials that sit underneath modern industry.

The portfolio is broad across metals because the strategic problem is broad. It is broad across industrial process because value creation and bottlenecks sit at different stages of the chain. It is broad across geographies because supply-chain diversification is itself part of the thesis. And it combines equities with futures because the underlying materials and the companies around them are not substitutes for one another.

That is what makes the strategy feel more substantial than a theme.

It is not simply asking which material may go up next. It is asking which parts of the strategic-materials stack matter most, where the constraints really sit, and how to build a portfolio that can reflect those realities with more precision than a conventional mining or commodity allocation.

IMPORTANT INFORMATION

Please see the WisdomTree Glossary for definition of terms and indexes.

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There are risks associated with investing, including potential loss of principal.

The Fund is actively managed and invests in commodity metals futures contracts from an eligible exchange, and equity securities issued by global companies primarily involved in strategic metals and rare earths mining activities.

The value of metal commodities, such as various mined metals and commodity-linked derivative instruments, such as commodity metals futures contracts, typically is based upon the price movements of the physical commodity or an economic variable linked to such price movements. Price movements in metals and commodity metals futures contracts may fluctuate quickly and dramatically, have a historically low correlation with the returns of the stock and bond markets, and may not correlate to price movements in other asset classes.

By investing in the equity securities of metal miners, the Fund may be susceptible to financial, economic, political, or market events that impact the metal mining industry. Derivatives are used by the Fund to gain exposure to strategic metals and rare earth mining activities. Derivative investments can be volatile and may be less liquid than other investments. As a result, the value of an investment in the Fund may change quickly and without warning you may lose money. A fund that has a portfolio that is concentrated in the securities of issuers in a particular industry or group of related industries, may be adversely affected by the performance of those securities, and more susceptible to adverse economic, market, political, or regulatory occurrences affecting that industry or group of related industries.

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