

Firing on All Cylinders

ETF Dominance Reinforced in 2025

ETFs continued to dominate the global investment landscape in 2025, posting record highs in assets, flows, launches, and volumes. The year closed with ETF assets reaching \$18.5 trillion globally and \$3.2 trillion in EMEA, supported by several key drivers—including the accelerating adoption of active ETFs and the expansion of innovative strategies within the ETF structure, which unlocked access to new asset classes and exposures.

EMEA ETF Records for 2025

AUM

\$3.2T

Flows

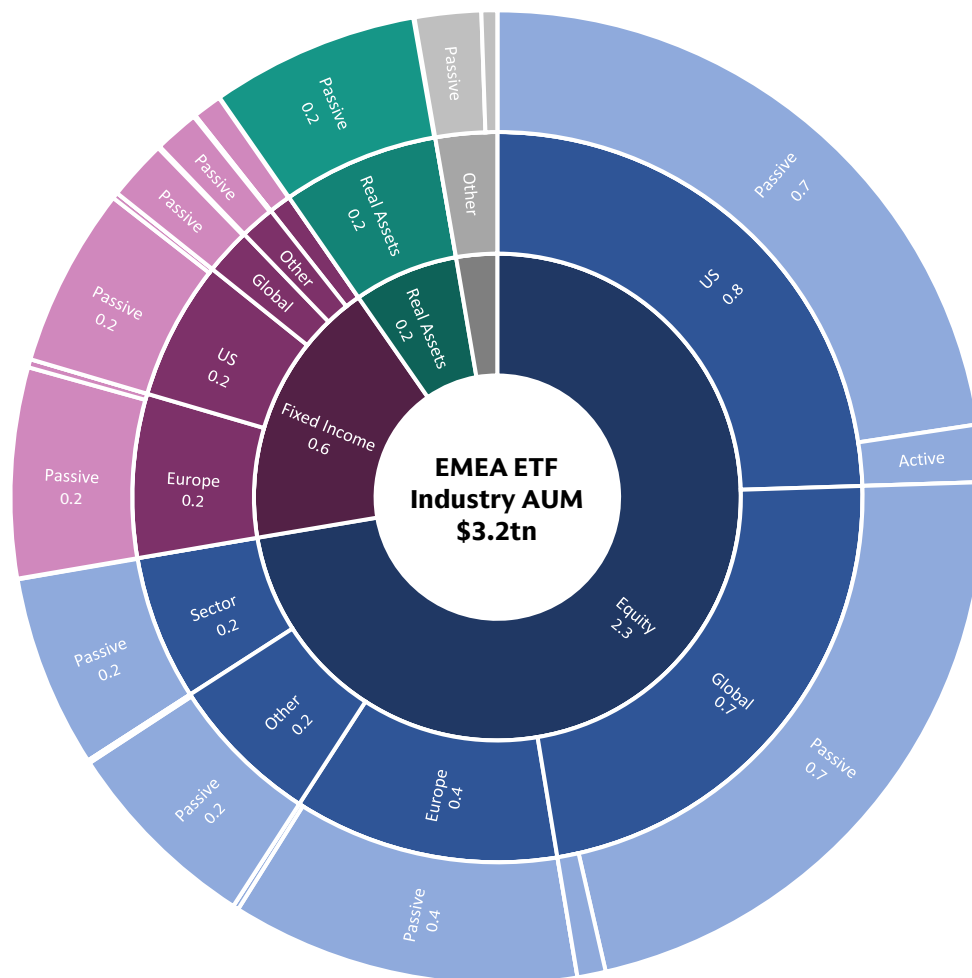
\$382B

Launches

520

Volume

\$4.3T



Source for all data and charts: Morningstar, Goldman Sachs Asset Management, all data as of December 31, 2025.

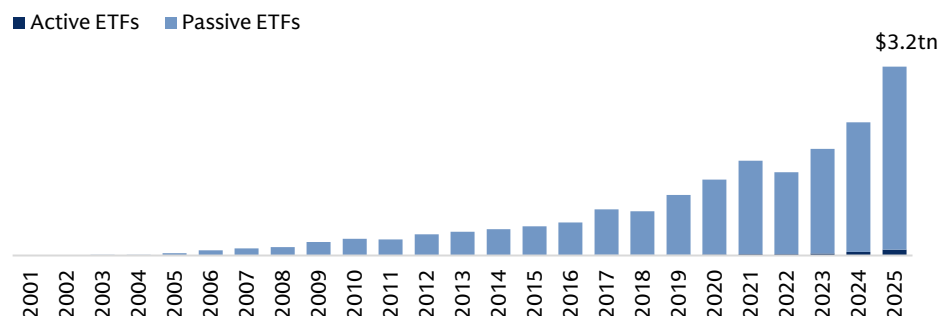
The illustrations on the page do not represent any GS product and are shown for illustrative purposes only. This material is provided for educational purposes only and should not be construed as investment advice or an offer or solicitation to buy or sell securities.

FOR INSTITUTIONAL OR FINANCIAL INTERMEDIARIES USE ONLY – NOT FOR USE AND/OR DISTRIBUTION TO THE GENERAL PUBLIC

ETFs Post Record Year on All Fronts

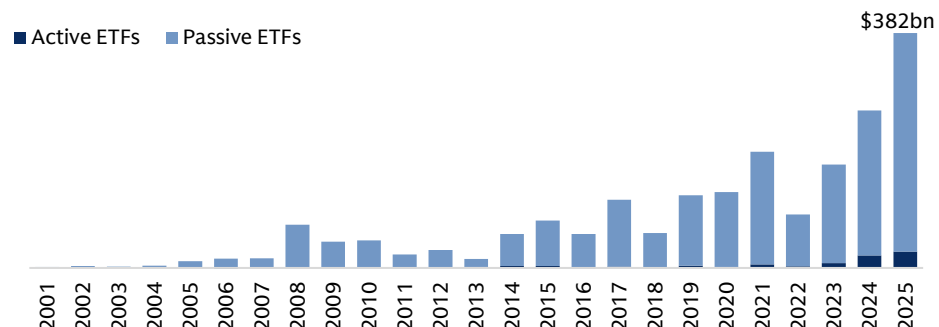
Record AUM

EMEA ETFs saw strong growth in 2025, driven by robust inflows and NAV support from underlying asset class performance – ranging from a 28% gain in developed market equities, 8% in global fixed income and a 65% surge in gold¹. In total, EMEA ETF AUM increased by roughly \$950 billion, representing a 42% expansion for the year.



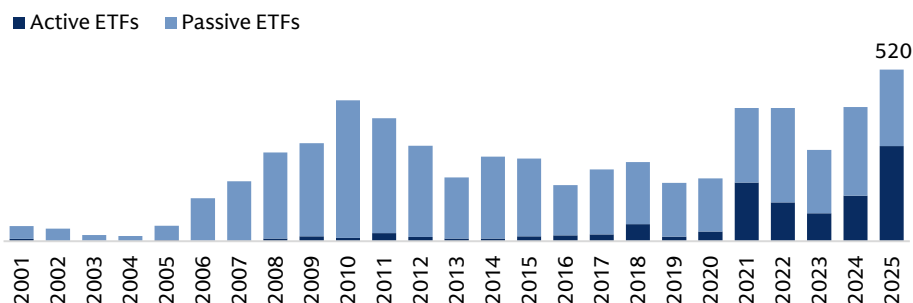
Record Flows

Record inflows of \$382 billion into EMEA ETFs—and more than \$2 trillion globally—reflect powerful structural forces reshaping investor behavior: the shift away from mutual funds, the acceleration of a generational wealth transfer, and growing appreciation for the potential liquidity and transparency benefits of ETFs.



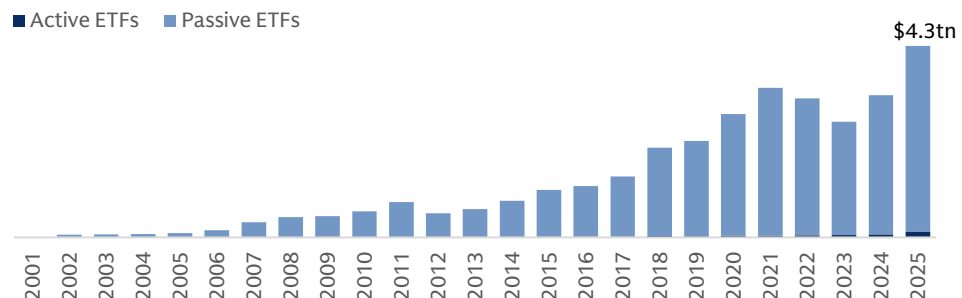
Record Launches

Actively managed ETFs have become an increasingly important driver of the next phase of ETF industry growth in EMEA. Nowhere is this shift more evident than in new product launches: of the 520 introduced during the year, 288 were actively managed. A saturated passive ETF landscape has limited the pace of new passive launches, though we still see room for strategies that track innovative and differentiated indices.



Record Volume

\$4.3 trillion in ETF secondary market dollar volume nicely rounds out the record year in EMEA ETFs. Dollar volume in active ETFs constituted roughly 3.1% of all ETF volume, rising from 2.2% in 2024. This was slightly lower than active ETFs' 3.2% market share by AUM but expected given that investors tend to use active ETFs for long-term holdings vs. passive ETFs which may be used more tactically.



Source for all data and charts: Morningstar, Goldman Sachs Asset Management, all data as of December 31, 2025.

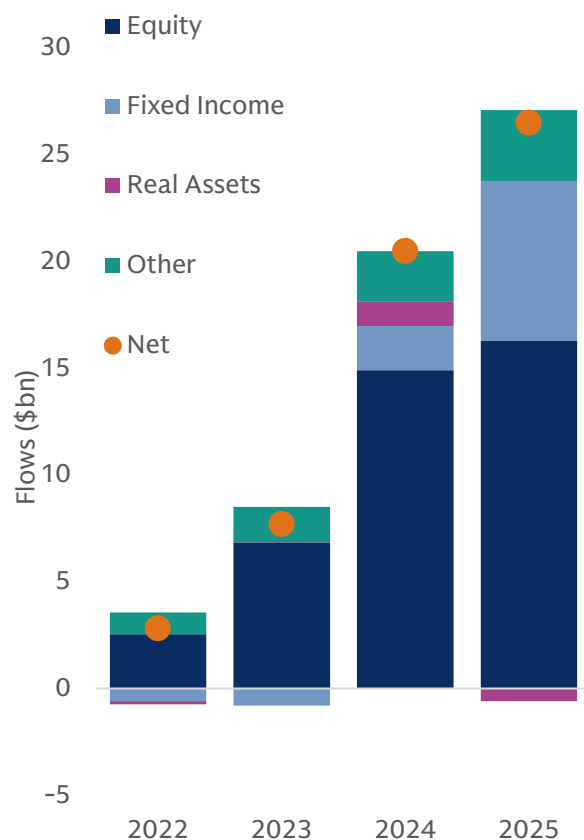
The Illustrations on the page do not represent any GS product and are shown for illustrative purposes only. This material is provided for educational purposes only and should not be construed as investment advice or an offer or solicitation to buy or sell securities.

1. Past performance does not predict future returns and does not guarantee future results, which may vary. See Appendix for further performance periods.

Active ETFs Probe Deeper into Passive Territory in 2025

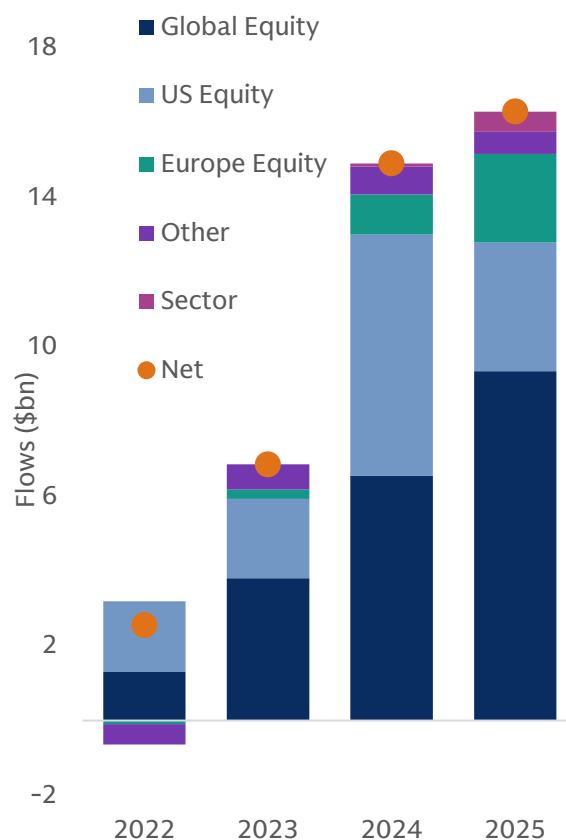
Active ETF Flows

Net flows into active ETFs in EMEA of \$26 billion in 2025 increased substantially from 2024 levels, with the majority attributable to flows into the active fixed income space.



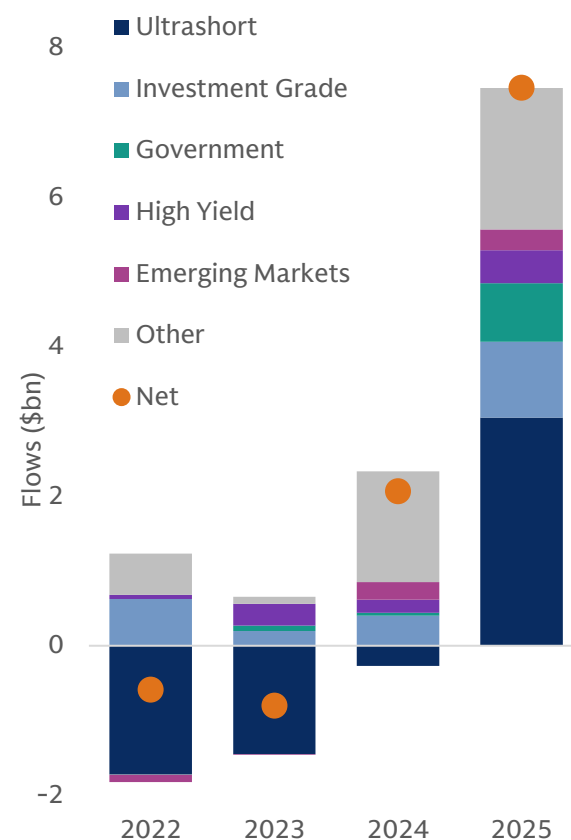
Active Equity ETF Flows

Across the active equity ETF complex in EMEA, 2025 flows roughly doubled those of 2024 in European equity focused ETFs while US equity focused ETF flows were cut in half, reflecting the performance dispersion across the regions and as flows tend to follow performance.



Active Fixed Income ETF Flows

Active fixed income ETFs in EMEA had a breakout year in 2025, generating net flows of \$7 billion, more than tripling 2024 flows. Ultrashort bond ETFs led with inflows of over \$3 billion as investors sought to retain cash flow levels in a declining rate environment and recognized the potential benefits of active management in the space.



Source for all data and charts: Morningstar, Goldman Sachs Asset Management, all data as of December 31, 2025.
The illustrations on the page do not represent any GS product and are shown for illustrative purposes only.

Q&A Corner – With Brendan McCarthy, Global Head of ETF Distribution

Q: What were the most notable developments in ETFs in 2025?

A: The defining ETF story of 2025, in our view, was its extraordinary growth—another year of record highs in AUM, flows, launches, and trading volume in EMEA & across the globe. For those of us who have been in the ETF industry for decades, it can feel like we’ve grown accustomed to this ‘broken record’ of broken records. Yet the scale remains remarkable: 2025 marked the 30th year of AUM expansion in the global ETF market’s 33-year history.

Market dynamics also played a meaningful role. Concerns around inflation and geopolitical volatility boosted demand for traditionally perceived safe-haven exposures, particularly gold ETFs and, to a lesser extent, silver ETFs. Just as notable was the continued rise of actively managed ETFs. By year-end, active ETFs in EMEA represented just 3% of total assets but captured 7% of flows and an impressive 55% of all ETF launches—clearly punching well above their weight. We see this trend as still in the early innings across the globe generally, and particularly in EMEA.

Q: Let’s dive a bit deeper into 2025 active ETF flows. Do any trends jump out?

A: A closer look at 2025 active ETF flows reveals some striking dynamics within the industry, in our view. To start, active fixed income ETFs saw strong growth, with net inflows of roughly \$7 billion. This equates to more than a three-fold increase over 2024 flows. Compared to equity ETFs, the growth is even more apparent. Active equity ETF flows were roughly \$16 billion, certainly higher than flows into fixed income ETFs but only about \$1 billion over 2024 flows. Overall, active fixed income ETF flows in EMEA represented a strong trend in 2025.

Q: We saw a deluge of new ETFs in 2025. What were the key takeaways for ETF launches last year?

A: 2025 was notable for a surge in new ETF launches in EMEA, with 520 new ETFs launched. And among those launches, just over half (55%) were actively managed. Unlike in the US where we’ve seen a rise in ETF liquidations driven by a healthy cycle of experimentation followed by rationalization, in EMEA liquidations of existing ETFs have been relatively stable.

Q: Most of the talk around ETF growth is centered around AUM, flows and launches. How has secondary market volume played a role?

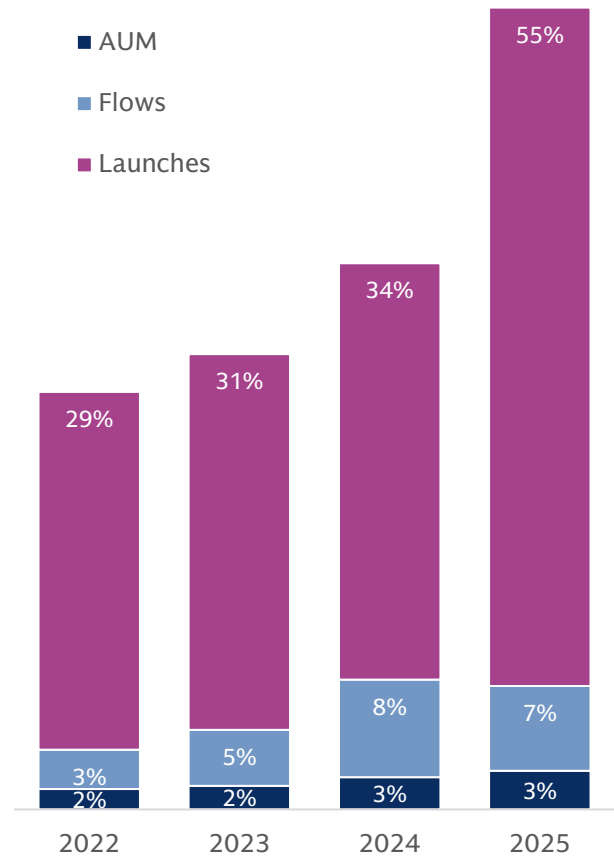
A: Volume often plays a quieter role compared with headline metrics like AUM, flows, and launches, but the steady rise in ETF trading volume carries important implications. In 2025, ETF secondary market volume in EMEA reached a record \$4.3 trillion—a remarkable level of activity. Greater trading volume generally supports tighter bid-ask spreads, reinforcing the efficiency of the ETF structure, particularly for larger investors. Of course, an ETF’s overall liquidity profile is also a function of the liquidity of its underlying holdings but secondary market volume certainly deepens the overall liquidity profile of an ETF.

Q: What is on your radar for the ETF industry in 2026?

A: In our view, the outlook for ETFs remains very strong. In 2026, we expect continued robust growth across actively managed strategies in EMEA, driven by both alpha-seeking approaches and solutions-based offerings. Within alpha-seeking strategies, we anticipate an acceleration in capital movement from mutual funds to ETFs, as well as

increasing adoption of low tracking error active ETFs. On the solutions-based side, investor demand for differentiated, outcome-oriented strategies—such as derivative income and buffer ETFs—has resonated in the US. We expect this trend to be mirrored in EMEA, with strategies focusing on income generation set to fuel further momentum in the EMEA active ETF landscape also.

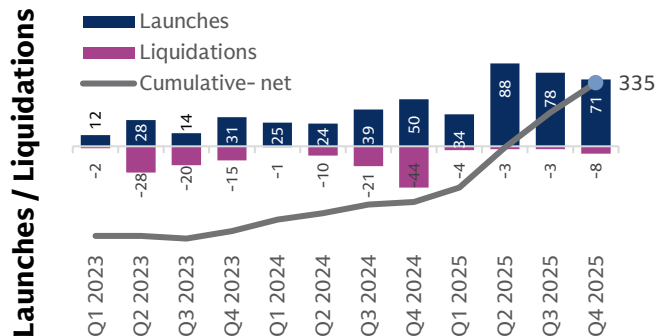
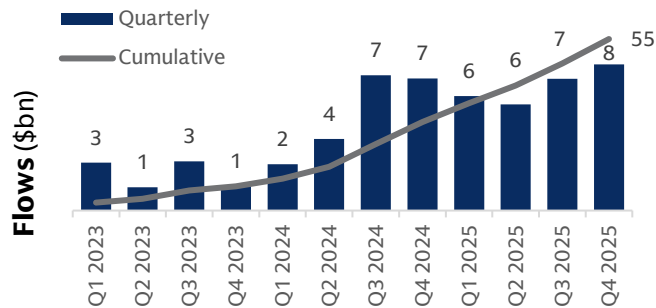
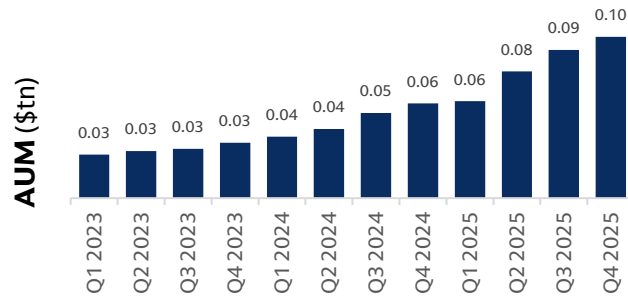
Active ETF market share - EMEA



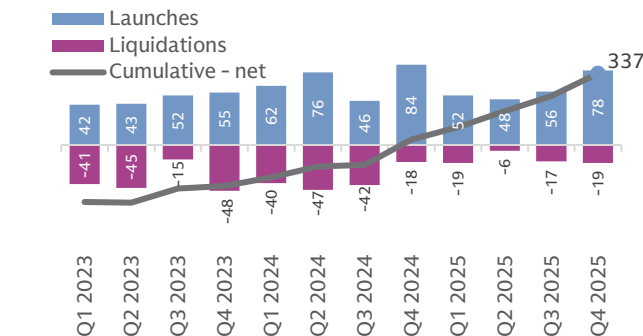
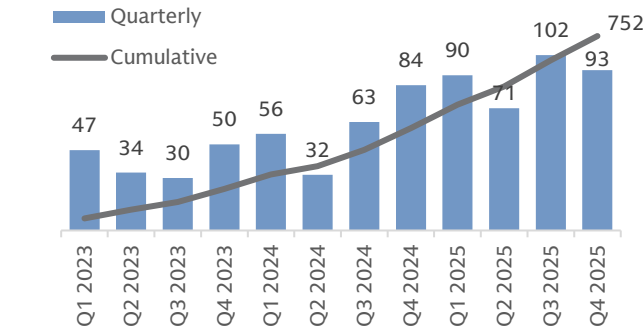
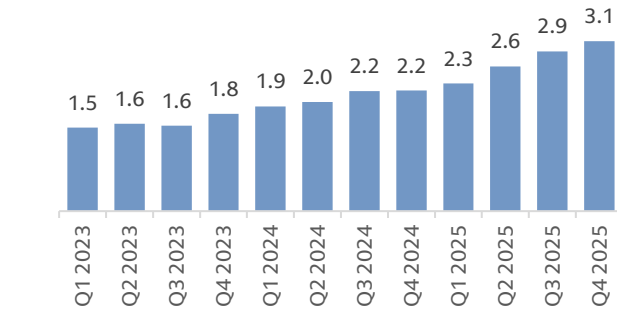
Source for all data and charts: Morningstar, Goldman Sachs Asset Management, all data as of December 31, 2025. The illustrations on the page do not represent any GS product and are shown for illustrative purposes only.

EMEA ETF Tracker – AUM, Flows & Launches

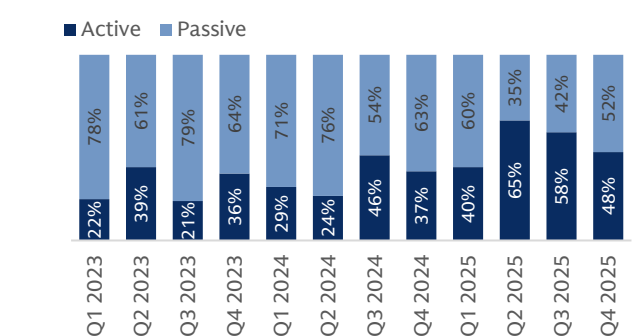
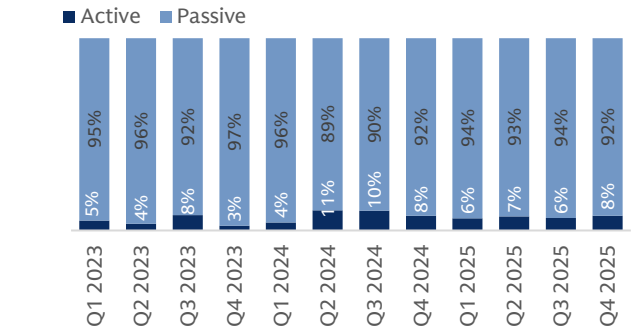
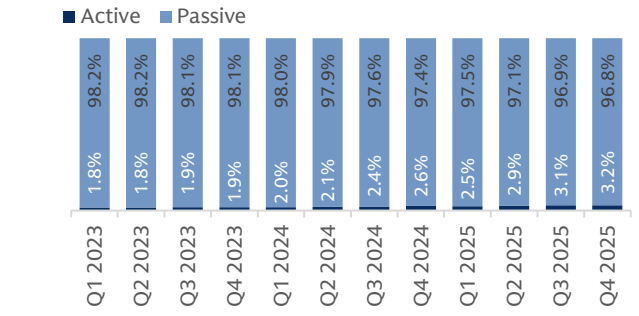
Active



Passive



Market Share



Source for all data and charts: Morningstar, Goldman Sachs Asset Management, all data as of December 31, 2025.
The Illustrations on the page do not represent any GS product and are shown for illustrative purposes only.

Disclosures

Glossary

Active/Passive ETFs: Passive ETFs attempt to track an index's performance. Actively managed ETFs involve a fund manager or management team that researches investment opportunities and actively selects the ETF's portfolio securities and allocation, according to the investment goals that they seek to reach.

Defined Outcome or Buffer ETFs use options contracts to protect against initial losses while capping gains at preset levels, creating somewhat defined outcomes over set periods.

Derivative Income or Covered Call ETFs generate monthly income by selling call options against the fund's holdings, with professional managers handling the options strategies.

Risk Considerations and General Disclosures

Exchange-Traded Funds are subject to risks similar to those of stocks. Investment returns may fluctuate and are subject to market volatility, so that an investor's shares, when redeemed, or sold, may be worth more or less than their original cost. ETFs may yield investment results that, before expenses, generally correspond to the price and yield of a particular index. There is no assurance that the price and yield performance of the index can be fully matched.

Equity investments are subject to market risk, which means that the value of the securities in which it invests may go up or down in response to the prospects of individual companies, particular sectors and/or general economic conditions. Different investment styles (e.g., "growth" and "value") tend to shift in and out of favor, and, at times, the strategy may underperform other strategies that invest in similar asset classes. The market capitalization of a company may also involve greater risks (e.g. "small" or "mid" cap companies) than those associated with larger, more established companies and may be subject to more abrupt or erratic price movements, in addition to lower liquidity.

Investments in fixed income securities are subject to the risks associated with debt securities generally, including credit, liquidity, interest rate, prepayment and extension risk. Bond prices fluctuate inversely to changes in interest rates. Therefore, a general rise in interest rates can result in the decline in the bond's price. The value of securities with variable and floating interest rates are generally less sensitive to interest rate changes than securities with fixed interest rates. Variable and floating rate securities may decline in value if interest rates do not move as expected. Conversely, variable and floating rate securities will not generally rise in value if market interest rates decline. Credit risk is the risk that an issuer will default on payments of interest and principal. Credit risk is higher when investing in high yield bonds, also known as junk bonds. Prepayment risk is the risk that the issuer of a security may pay off principal more quickly than originally anticipated. Extension risk is the risk that the issuer of a security may pay off principal more slowly than originally anticipated. All fixed income investments may be worth less than their original cost upon redemption or maturity.

In an effort to distinguish funds by what they own, as well as by their prospectus objectives and styles, Morningstar developed the Morningstar Categories. While the prospectus objective identifies a fund's investment goals based on the wording in the fund prospectus, the Morningstar Category identifies funds based on their actual investment styles as measured by their underlying portfolio holdings (portfolio and other statistics over the past three years).

THIS MATERIAL DOES NOT CONSTITUTE AN OFFER OR SOLICITATION IN ANY JURISDICTION WHERE OR TO ANY PERSON TO WHOM IT WOULD BE UNAUTHORIZED OR UNLAWFUL TO DO SO.

This material is provided for informational purposes only and should not be construed as investment advice or an offer or solicitation to buy or sell securities. This material is not intended to be used as a general guide to investing, or as a source of any specific investment recommendations, and makes no implied or express recommendations concerning the manner in which any client's account should or would be handled, as appropriate investment strategies depend upon the client's investment objectives.

Disclosures

This marketing communication is disseminated by Goldman Sachs Asset Management B.V., including through its branches (“GSAM BV”). GSAM BV is authorised and regulated by the Dutch Authority for the Financial Markets (Autoriteit Financiële Markten, Vijzelgracht 50, 1017 HS Amsterdam, The Netherlands) as an alternative investment fund manager (“AIFM”) as well as a manager of undertakings for collective investment in transferable securities (“UCITS”). Under its licence as an AIFM, the Manager is authorized to provide the investment services of (i) reception and transmission of orders in financial instruments; (ii) portfolio management; and (iii) investment advice. Under its licence as a manager of UCITS, the Manager is authorized to provide the investment services of (i) portfolio management; and (ii) investment advice.

Information about investor rights and collective redress mechanisms are available on am.gs.com/policies-and-governance. Capital is at risk. Any claims arising out of or in connection with the terms and conditions of this disclaimer are governed by Dutch law.

In the United Kingdom, this material is a financial promotion and has been approved by Goldman Sachs Asset Management International, which is authorized and regulated in the United Kingdom by the Financial Conduct Authority.

Switzerland: This is marketing material. This document is provided to you by Goldman Sachs Asset Management Schweiz GmbH. Any future contractual relationships will be entered into with affiliates of Goldman Sachs Asset Management Schweiz GmbH, which are domiciled outside of Switzerland. We would like to remind you that foreign (Non-Swiss) legal and regulatory systems may not provide the same level of protection in relation to client confidentiality and data protection as offered to you by Swiss law.

This information discusses general market activity, industry or sector trends, or other broad-based economic, market or political conditions and should not be construed as research or investment advice. This material has been prepared by Goldman Sachs Asset Management and is not financial research nor a product of Goldman Sachs Global Investment Research (GIR). It was not prepared in compliance with applicable provisions of law designed to promote the independence of financial analysis and is not subject to a prohibition on trading following the distribution of financial research. The views and opinions expressed may differ from those of Goldman Sachs Global Investment Research or other departments or divisions of Goldman Sachs and its affiliates. Investors are urged to consult with their financial advisors before buying or selling any securities. This information may not be current and Goldman Sachs Asset Management has no obligation to provide any updates or changes.

Views and opinions expressed are for informational purposes only and do not constitute a recommendation by Goldman Sachs Asset Management to buy, sell, or hold any security. Views and opinions are current as of the date of this publication and may be subject to change, they should not be construed as investment advice.

Individual portfolio management teams for Goldman Sachs Asset Management may have views and opinions and/or make investment decisions that, in certain instances, may not always be consistent with the views and opinions expressed herein.

Confidentiality

No part of this material may, without Goldman Sachs Asset Management’s prior written consent, be (i) copied, photocopied or duplicated in any form, by any means, or (ii) distributed to any person that is not an employee, officer, director, or authorized agent of the recipient.

Although certain information has been obtained from sources believed to be reliable, we do not guarantee its accuracy, completeness or fairness. We have relied upon and assumed without independent verification, the accuracy and completeness of all information available from public sources.

©2026 Morningstar, Inc. All Rights Reserved. Morningstar information contained herein: (1) is proprietary to Morningstar and/or its content providers; (2) may not be copied or distributed; (3) does not constitute investment advice offered by Morningstar; and (4) is not warranted to be accurate, complete or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information. Past performance is no guarantee of future results

© 2026 Goldman Sachs. All rights reserved.

Date of first use: 04/03/2026

Compliance code: 495967-OTU-2484094

Appendix

Annual Performance by Asset Class (2021-2025)

	2021	2022	2023	2024	2025
Developed Market Equities	9%	-17%	15%	1%	28%
Global Fixed Income	-5%	-16%	6%	-2%	8%
Gold	-4%	0%	13%	27%	65%

Source: Bloomberg, Goldman Sachs Asset Management, all data as of December 31, 2025.
Past performance does not predict future returns and does not guarantee future results, which may vary.