

## Press Release

For immediate release

# European ETFs post record quarter of inflows

London, 28 April 2025 –

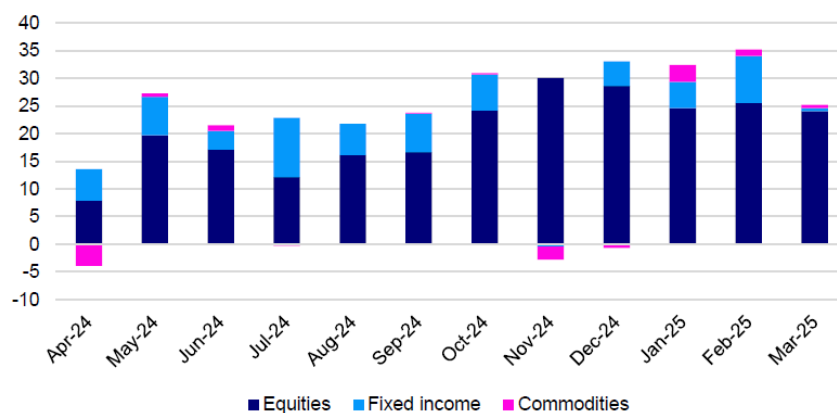
- Q1 marked the European ETF market's best ever quarter for inflows, with US\$93 billion of net new assets (NNA)
- Europe-exposed ETFs were the largest single category for inflows, with a record \$19.4 billion of NNA
- Equities accounted for 80% of Q1 inflows, in line with the 2024 average
- Rally in the price of gold offset muted equity performance to push total European ETF AUM to \$2.38 trillion

The European ETF market had its best quarter in terms of flows, with \$93 billion of NNA in Q1 eclipsing the previous record of \$91 billion set in Q4 2024, according to Invesco's latest **European ETF Snapshot**.

Despite broadly flat equity returns, strong performance for commodities, particularly gold, and solid gains in fixed income markets helped push total European ETF AUM to \$2.38 trillion as at the end of the quarter.

## Strong flows into European ETFs

Monthly ETF net new flows split by asset class, in US\$ bn



Source: Bloomberg, as of 31 March 2025. Europe-domiciled ETFs in USD.

**Equity flows remain resilient as investors pivot to Europe**

Despite market uncertainty towards the end of the quarter, the proportion of total ETF flows into equities in (80%) remained in line with the 2024 average. However, the data revealed a pivot away the US towards Europe.

Across all categories, European-exposed ETFs attracted record US\$19.4bn of inflows, and accounted for almost a fifth of ETF NNA in Q1, ranking it as the largest single category for flows. This was primarily driven by demand for equities, with broad European equity products attracted \$11.4 bn of inflows, whilst German equity ETFs alone secured \$5 billion.

Concurrently, appetite for US equities fell, with US\$2.2bn of outflows in March taking the total for the quarter to US\$4.5bn, less than 10% of the record level seen in Q4 of last year.

### Top 10 category inflows

Category	NNA (\$mn)	AUM
■ Global Equity	17,969	375,148
■ Europe Equity	11,363	150,848
■ Smart Beta	8,532	132,768
■ Cash Management	6,389	49,766
■ Thematic	5,078	61,249
■ Germany Equity	5,073	28,694
■ Precious Metals	4,924	138,064
■ US Equity	4,528	529,999
■ Europe Sectors	3,871	25,847
■ China Equity	3,758	17,320

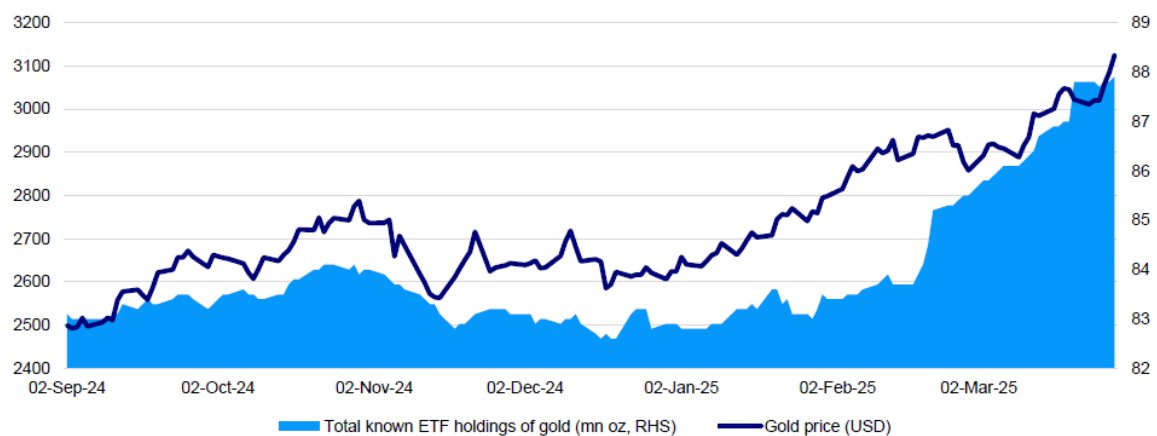
■ Equities   ■ Fixed Income   ■ Commodities

Source: Bloomberg, Invesco; YTD flows as at 31 March 2025.

### Demand for gold rises amidst price rally

Gold was the big winner in the commodity asset class. Flows into gold ETPs have been positive for the past four months after being largely absent for most of the gold price rally before then. Gold was the best-performing asset in Q1 with a 19% return, driven by the allure of its perceived "safe haven" characteristics as equity markets fell and the economic outlook became increasingly uncertain.

Flows into gold ETPs have increased globally as the gold price hits new highs



Source: Bloomberg, total known ETF holdings of gold, to 31 March 2025.

## Outlook for Q2 2025

“Amid the market volatility since April, it may seem odd to look back at Q1, but valuable insights can be drawn from how investors positioned themselves before the most recent tariff-induced market gyrations.” **said Gary Buxton, Head of EMEA ETFs at Invesco.** “The valuation case for European equities remains supportive, and growing concerns over concentration risk amongst Global and US indices could prompt investors to continue looking to Europe to diversify.”

“Similarly, so long as uncertainty persists, the case for gold will remain strong. Gold has demonstrated low correlation with equities and other risk assets, and also tends to hold up well during times of increased equity market volatility (in risk-off conditions) and uncertainty.

**Ends**

## Notes to editors

All data sourced from Invesco, Bloomberg, as at 31 March 2025. All figures in USD.

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