



US and Europe

ETF Intelligence Report 2026

Advisers keep embracing ETFs.
Now they want even more.

ENTER



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Moving beyond familiar ground

The ETF market is expanding in both scale and scope. As ETFs support a wider range of strategies, exposures and investor needs, greater choice is changing how products compete and what it takes to differentiate.

What began as an efficient, cost-effective way to access broad index exposures has developed into a more diverse ecosystem used across asset classes, portfolio objectives and active, rules-based and thematic strategies. That evolution is expanding the role ETFs can play, from building core allocations to accessing new markets and pursuing more specialized investment objectives.

Innovation is widening those possibilities further. Advances in data, analytics and technology are creating new ways to identify and represent investment exposures, while more scalable approaches to index construction can support faster cycles of product innovation.

In this environment, more choice raises the bar for differentiation. As more strategies become available through ETFs, investors need to understand what an exposure represents and what distinguishes one approach from another. Reliable data, transparent indexes and rigorous analytics provide a critical foundation for those distinctions.

This is a market that is well established in some respects and still developing in others. Our survey findings capture that dynamic. Active ETFs are moving further mainstream, advisers are looking beyond home markets and the factors influencing product choice vary across exposures and markets. Newer applications of the ETF wrapper also reveal where greater choice brings greater scrutiny, particularly around liquidity and structural fit.

For the ETF ecosystem, those choices provide a window into where the market may be heading next. Where advisers see opportunity, what they value when comparing products and where they hesitate can offer signals about the next sources of demand. The next phase of ETF growth is not simply about more products or assets. It is about a wider set of investment possibilities and what earns a place in the portfolio. Understanding that distinction will be increasingly important for investors and product providers.



Christine Berg

CFA®

Head of Americas Index

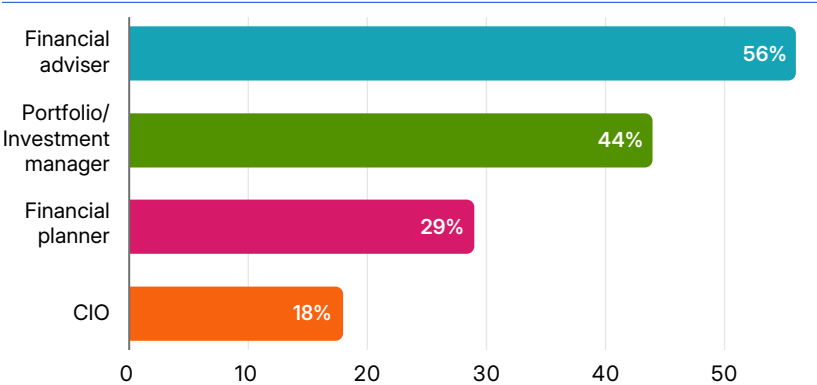
About the survey

The findings in this report are drawn from the MSCI ETF Intelligence Report 2026, conducted online in April and May 2026 among 525 advisers and investment decision-makers across the U.S., Europe and Australia. This report focuses on insights from 450 respondents across the U.S. and four European markets — the United Kingdom, France, Germany and Italy — with findings from Australia explored separately in a dedicated report.

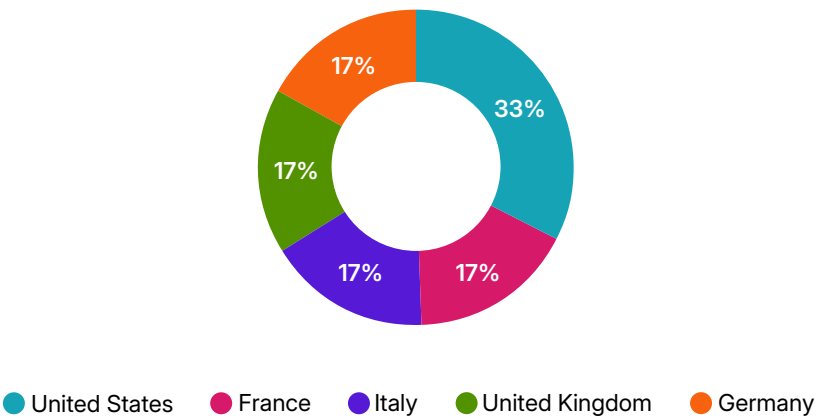
Who we surveyed

Respondent profile

Respondents could select multiple options, so totals exceed 100%.

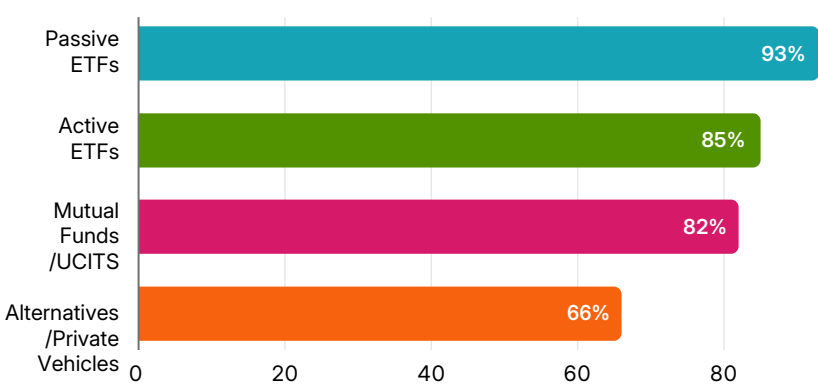


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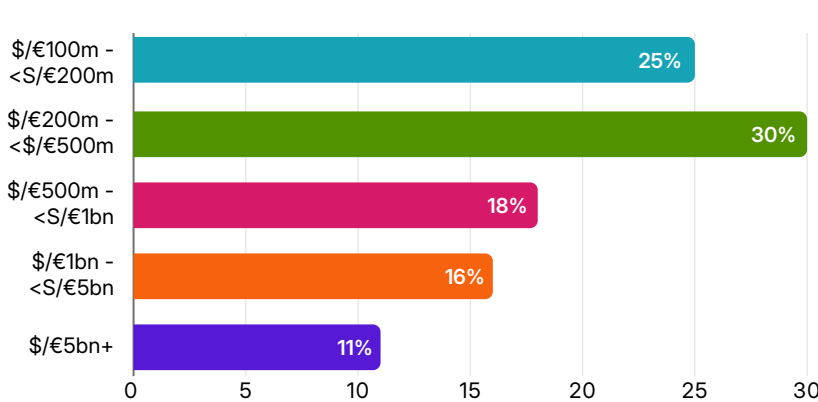


Involvement by product type

Respondents could select multiple options, so totals exceed 100%.



Firm size



Key findings

01 Active ETFs are gaining assets from mutual funds, not just new money

71% of advisers expect to increase their use of active ETFs over the next two years.

Much of that growth could come at the expense of mutual funds: 58% say a new active ETF allocation from a manager they already use would most likely come from an existing mutual fund or UCITS holding.

02 Advisers are looking for opportunity across new strategies and markets

47% want greater thematic ETF choice, while 45% expect to increase equity allocations outside their home market.

Thematic strategies show the strongest demand for greater ETF choice, while emerging markets appear in both product preferences and international allocation intentions. Preference for active management also runs ahead of current active ETF use in both thematic and emerging-market exposures.

03 Fees are the dominant selection factor, but advisers will pay up for the right exposure

65% rank fees among their top criteria for selecting ETFs.

Fees remain a top priority, but they are not the whole decision. Advisers are uncompromising on cost for core beta exposures, while 58% say they are willing to pay a higher fee for difficult-to-access strategies.

04 Liquidity is top of mind at every stage of the decision

68% rank liquidity and efficient trading as a top cost consideration.

It is also a leading motivator for switching from a mutual fund to an active ETF, with 48% citing greater liquidity and tradability as a key driver. Yet when ETFs move into private assets, 62% identify liquidity mismatch as a concern.

05 Openness to private market ETFs exists, but skepticism runs deep

49% are open to accessing private or less liquid assets through an ETF.

Despite the broad acceptance of ETFs across equities and fixed income, only 16% believe private markets are a good fit for the structure, suggesting the opportunity is real if right conditions are met.

06 Index providers are an important input to ETF selection

80% agree the index provider influences their choice when selecting ETFs with similar exposures.

Index providers are also the second-most relied-on source when selecting ETFs, with 74% using them often or sometimes. Their relevance extends into active strategies, with 67% saying the referenced benchmark is extremely or very important when evaluating an active ETF.

Active ETFs move further mainstream

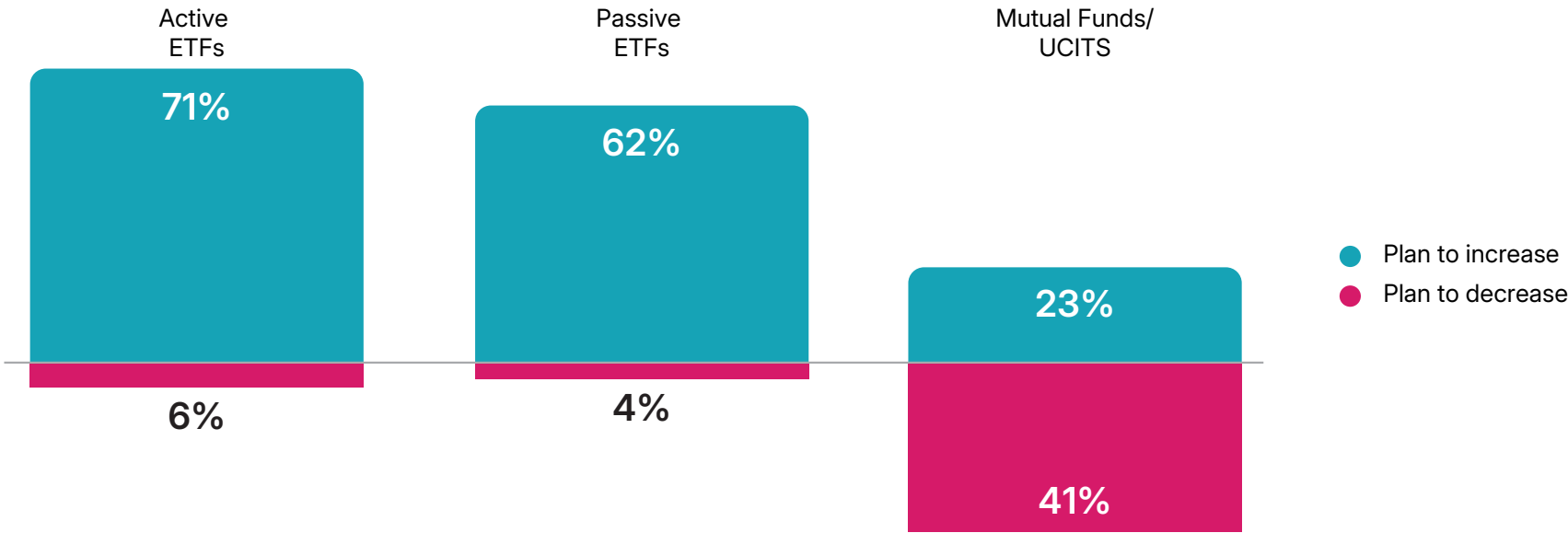


Active ETFs are no longer a niche part of the ETF market among advisers surveyed. Eighty-seven percent of ETF users currently invest in active ETFs, rising to 95% in the U.S. compared to 83% in Europe.

And respondents expect their use to grow further. Over the next two years, 71% expect to increase their use of active ETFs, compared with 62% who expect to increase their use of passive ETFs. Only 6% expect their active ETF use to decline.

Active and passive ETFs gain ground over mutual funds and UCITS

% of advisers, by anticipated change in product usage over the next two years



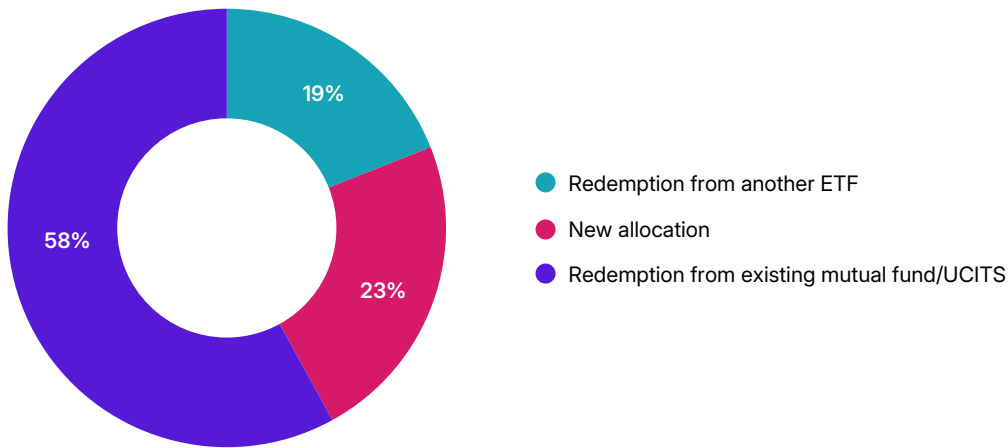
Growth is also a substitution story

At the same time, 41% of respondents expect to decrease their use of mutual funds or UCITS over the next two years, rising to 62% in the U.S. The source of these reallocations becomes clearer when respondents consider where an active ETF allocation would come from. When considering an active ETF from a manager they already use, 58% say the allocation would most likely come from an existing mutual or UCITS fund holding, compared with just 23% who say it would be a new allocation. In the U.S., the share pointing to mutual fund redemptions rises to 67%.

Importantly for asset managers, a change in structure does not necessarily mean a change in strategy or manager. Half of respondents say they would be likely to switch to an active ETF version of a mutual fund or UCITS strategy that they currently use if offered. Among those involved in mutual fund or UCITS selection, 85% would consider switching to an ETF share class of the same strategy.

Mutual funds are likely to fuel the active ETF shift

% of advisers by likely source of future active ETF allocations for current managers



Why this matters

The good news for asset managers is that adviser loyalty travels. A strong majority said they would consider switching to an ETF share class of a strategy that they already hold. What makes advisers willing to change the wrapper? Fees, liquidity and, in the U.S., taxes. The migration may be global but the reasons for making it are not.

The search for opportunity

With ETFs use expected to grow, the next question is where advisers see room for greater choice and opportunity.

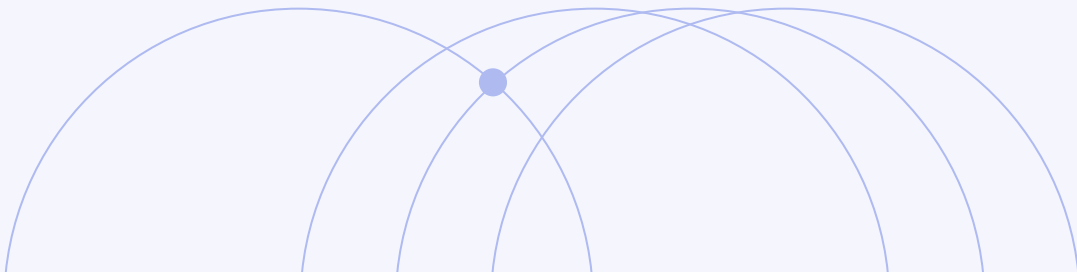
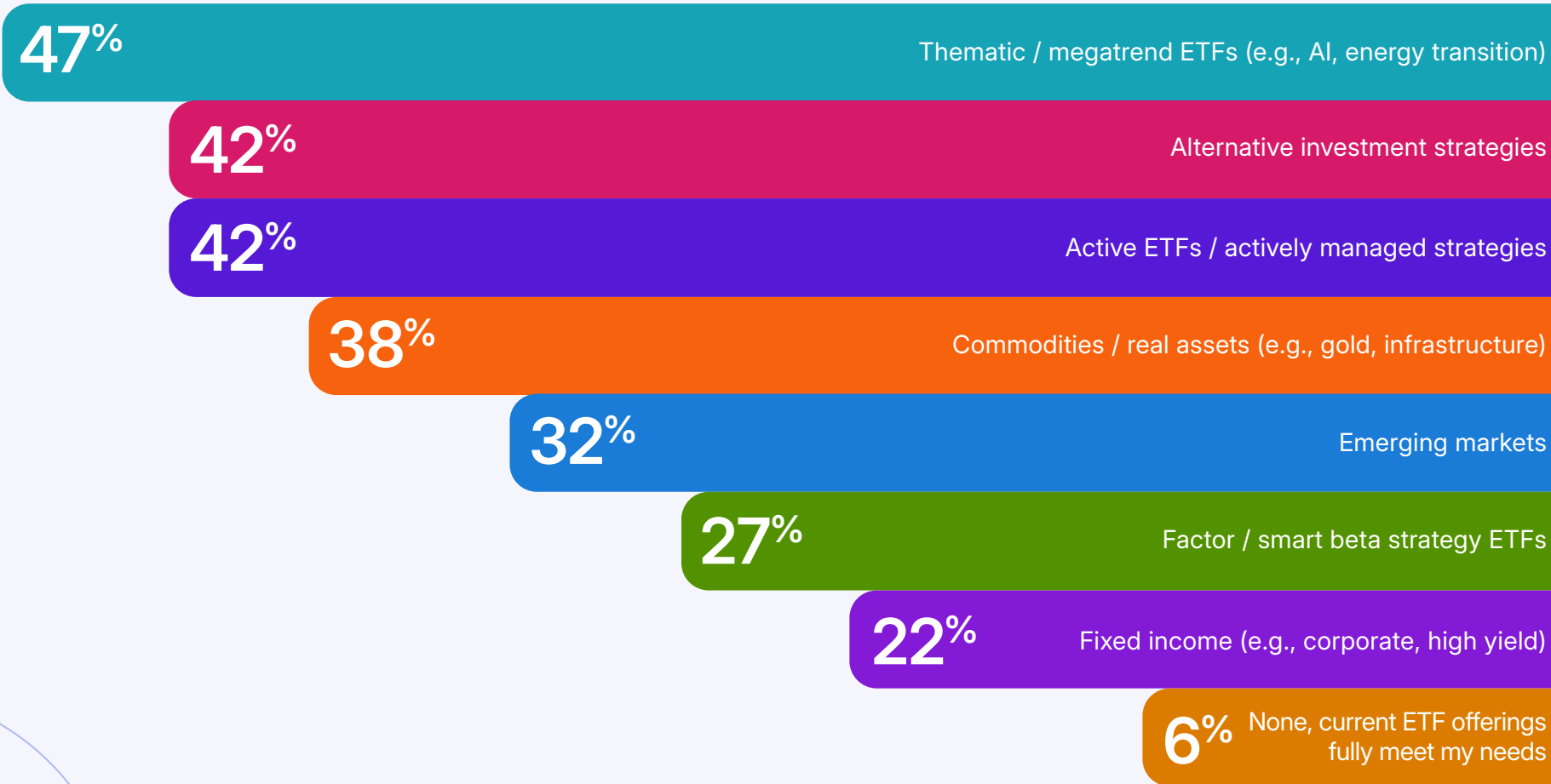
Thematic or megatrend ETFs stand out most, with 47% of respondents wanting greater choice, followed by alternative investment strategies and actively managed strategies at 42% each. Emerging markets are also among the areas where respondents see room for more ETF choice.

For active ETFs, thematic strategies and emerging markets are particularly interesting. In both, preference for active management is higher than current active ETF usage: 61% prefer active ETFs for thematic strategies compared with 41% who currently use them, while 52% prefer active for emerging markets compared with current usage of 35%.

The findings point to potential gaps in the market: areas where advisers want greater choice and favor active management, but where current active ETF offerings have yet to meet that demand.

Where advisers want greater ETF choice

% of advisers who want a greater selection



Advisers are looking beyond their home markets

Advisers across the U.S. and Europe are planning to broaden their equity allocations, driven by a conviction that better valuations and growth opportunities exist beyond their borders.

The starting points, however, are very different. U.S. respondents currently allocate an average of 79% of their equity exposure to their home market, compared with 32% among European respondents. The contrast reflects very different opportunity sets. The U.S. equity market has benefited from years of strong domestic performance and is dominated by some of the world's largest technology companies. European respondents, meanwhile, look abroad for better growth opportunities and diversification, citing weaker prospects in their domestic markets.

Looking ahead, just over half expect their international equity allocation to remain broadly unchanged. But among those planning a change, the direction is overwhelmingly outward. Forty-five percent plan to increase equity allocations outside their home market over the next two years, while only 4% plan to decrease them. When respondents look abroad, emerging markets feature prominently. Thirty-nine percent expect greater focus on emerging markets over the next two years, compared with 24% who anticipate greater focus on developed markets.

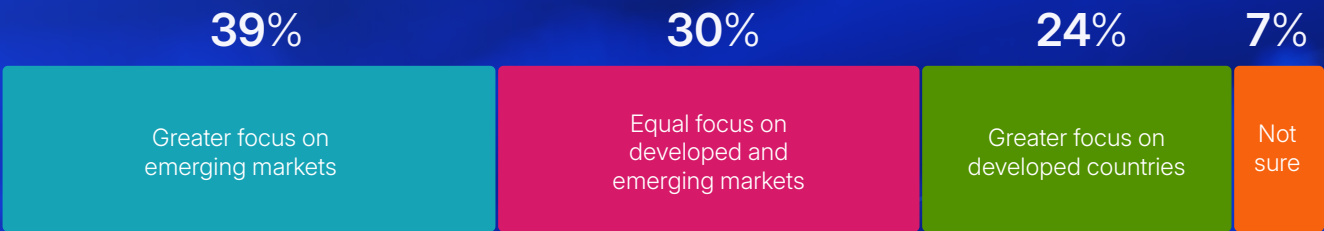
International allocations set to rise

Expected change to equity allocation outside the home market, % of advisers



Advisers lean toward emerging markets for equity exposure abroad

Focus for equity exposure outside the home market over the next two years



Where the picture differs

U.S. home bias may be starting to ease.

Despite allocating a far heavier share of equities to their home market than European respondents (79% vs. 32%), 47% of U.S. respondents plan to increase their international allocation over the next two years. In Europe, 44% plan to do the same.

Europe wants more choice.

53% of European respondents want greater thematic ETF choice, compared with 34% in the U.S.; for emerging-market ETFs, the figures are 37% and 22%, respectively.

The U.S. leans more active in emerging markets.

63% of U.S. respondents prefer active ETFs for emerging-market exposure, compared with 46% in Europe.

Europe has the stronger emerging-market tilt.

Asked about exposure outside their home market, 50% of European respondents expect greater focus on emerging markets, compared with 19% in the U.S. U.S. respondents are more likely to expect an equal focus across developed and emerging markets.

Larger portfolios are already more internationally oriented.

Respondents overseeing USD 1 billion or more allocate an average of 65% of their equity exposure outside their home market, compared with 48% among those overseeing less than USD 1 billion.

In their words

"International markets have lagged the U.S. stock market for a long time. That has started to reverse course during the last few years. There are a lot of attractive regions/individual companies outside of the US."

Registered financial adviser at a large U.S. brokerage firm,
USD 200 million–USD 500 million AUM

"We follow the MSCI ACWI Index closely so unless the weights change substantially, there is no need to change the allocation too much over the next years."

Investment professional at a German investment firm,
EUR 5 billion – EUR 10 billion AUM

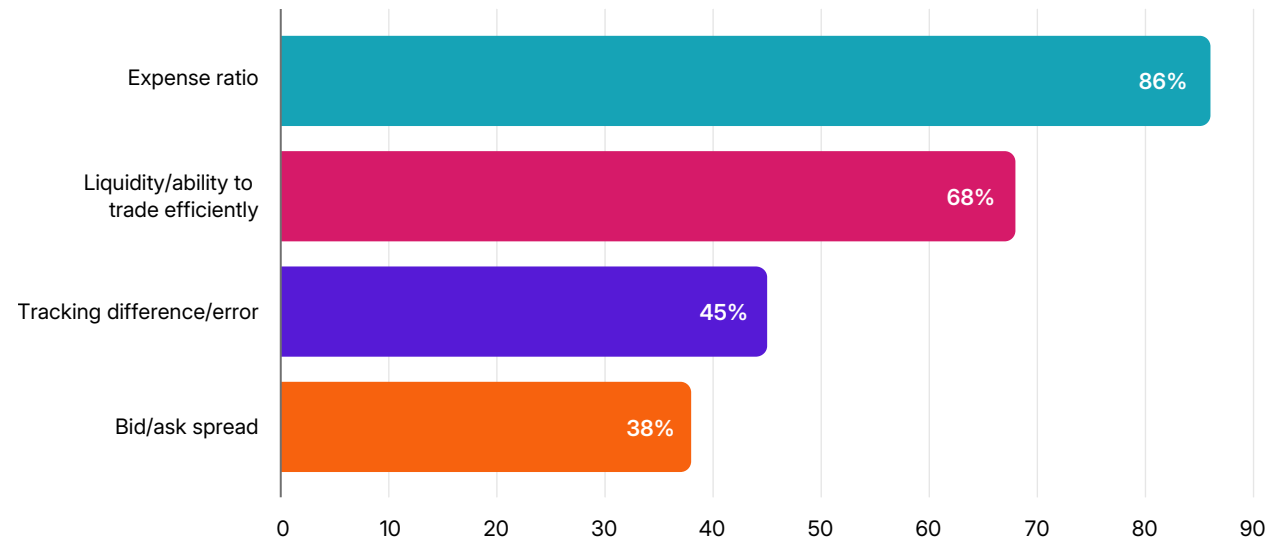
Fees matter, until value justifies the premium

Advisers do not treat ETF cost as a single number. Fees are the most cited factor when choosing between similar ETFs, at 65%, more than 20 percentage points ahead of the next criterion. When evaluating cost specifically, 86% rank expense ratio as a top priority.

But the headline fee is not the whole cost equation. Sixty-eight percent rank liquidity and the ability to trade efficiently as a top cost priority, second only to the expense ratio. Advisers are not just considering what an ETF costs to own, but what it costs to use.

Expense ratio leads ETF cost priorities by a wide margin

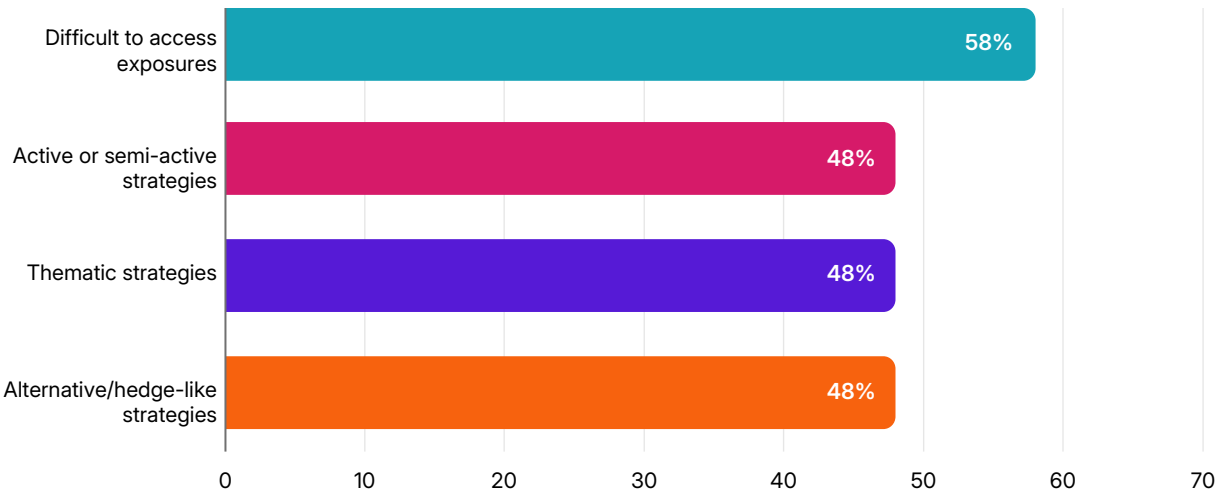
% advisers ranking each factor a top priority when assessing ETF cost



Willingness to pay varies significantly by exposure. Just 12% are willing to pay a higher fee for core beta, compared with 58% for difficult-to-access exposures. Nearly half would also pay more for active or semi-active strategies, thematic strategies and alternative or hedge-like strategies. Only 6% say they are unwilling to pay a higher fee for any of the exposures tested.

Niche and hard-to-access ETFs command the highest fee premium

% advisers willing to pay a higher fee, by ETF exposure type



Why this matters

The distinction suggests that fee sensitivity is not uniform. Where an exposure is harder to access or involves a more differentiated strategy, respondents show considerably greater willingness to pay a premium.

Where the picture differs

Fee sensitivity varies across Europe. 79% of U.K. respondents and 75% of Italian respondents rank fees among their top ETF-selection criteria, compared with 53% in both France and Germany, a 26-percentage-point spread within Europe alone.

In the US, tax can make — or break — the ETF case

Tax stands out as one of the clearest differences between U.S. and European respondents. Nearly a third of U.S. respondents rank tax efficiency among their top three criteria for selecting ETFs, compared with 15% in Europe.

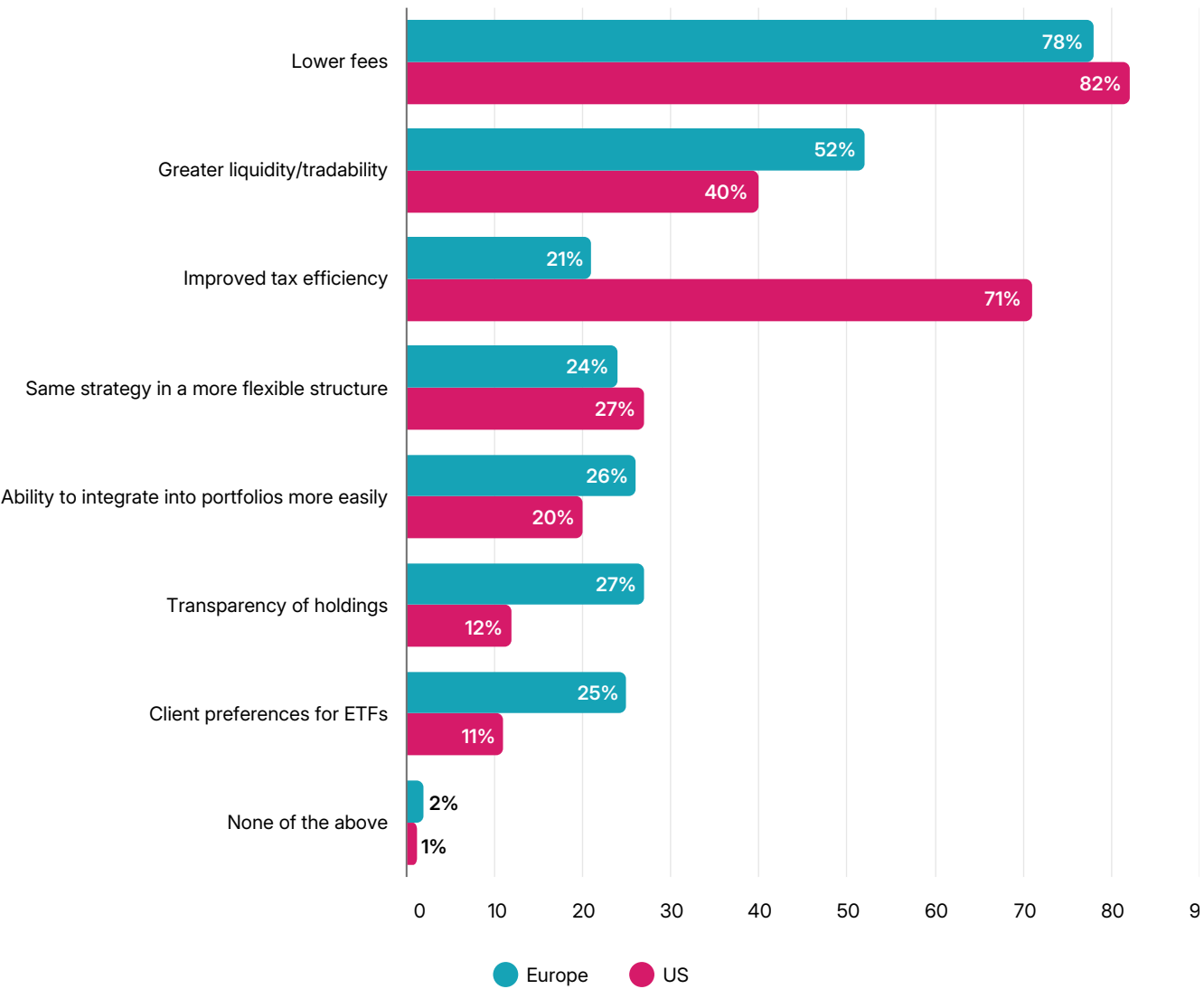
The difference becomes even more pronounced when respondents consider switching structures. Seventy-one percent of U.S. respondents cite improved tax efficiency as a factor that would influence a switch from an active mutual fund to an active ETF version of the same strategy, compared with 21% in Europe.

At the same time, 37% of U.S. respondents cite tax considerations as a potential barrier to using active ETFs, compared with 15% in Europe.

Tax illustrates how differently the ETF decision can play out across markets. What matters prominently in one market may carry considerably less weight in another.

Tax splits US and Europe

% citing top factors in switching from a mutual fund to an active ETF



Respondents could select up to three options, so totals exceed 100%

Liquidity runs through the ETF decision

Liquidity shows up at every stage of how advisers evaluate, select and stress-test an ETF. It is a selection criterion, a cost consideration, a switching motivator and, ultimately, a question of structural fit. Forty-two percent of respondents rank it among their top three factors when choosing between similar ETFs, while 68% consider liquidity and the ability to trade efficiently a top priority when assessing cost.

But its role goes beyond evaluating one ETF against another. Nearly half of respondents cite greater liquidity and tradability (48%) as a top-three factor that would influence a switch from an active mutual fund or UCITS to an active ETF version of the same strategy, second only to lower fees (79%).

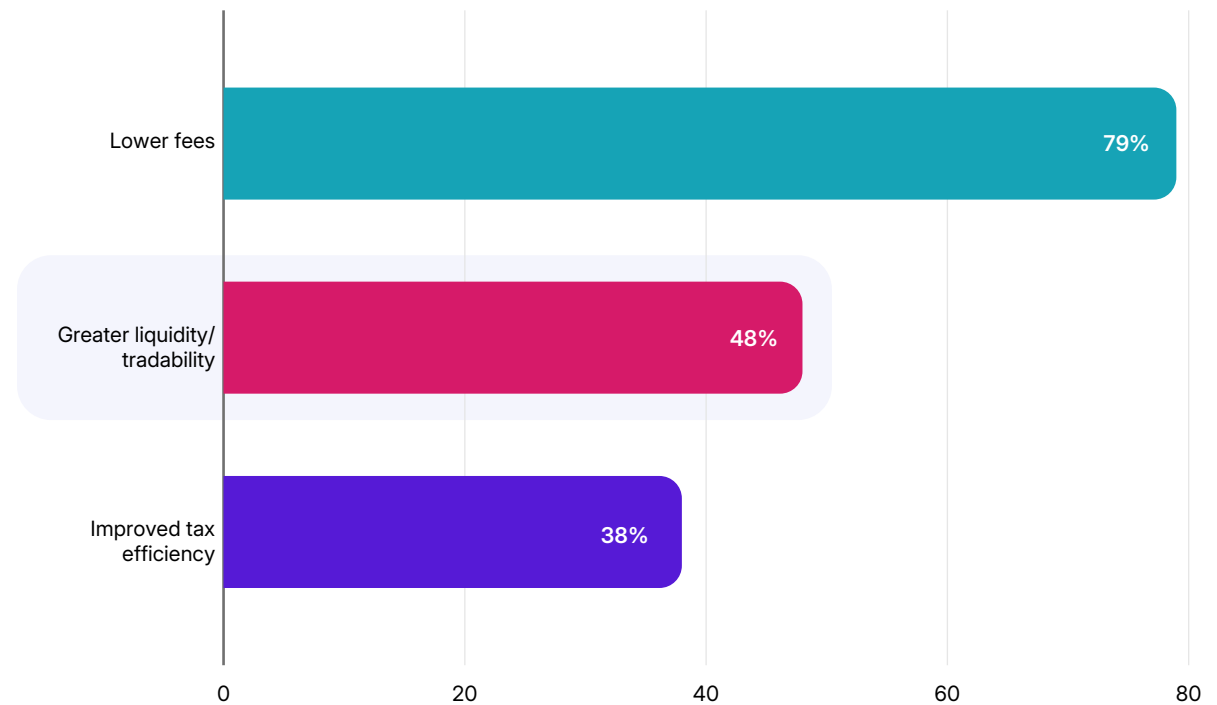
Where the picture differs

Liquidity is more likely to be prioritized in Germany.

Liquidity ranks among the top cost priorities for 72% of German respondents and 69% of French respondents, compared with 55% in Italy.

Liquidity is a factor in the switch to active ETFs

% citing each factor as most influential in switching from a mutual fund to an active ETF



Respondents could select up to three options, so totals exceed 100%

Private markets expose the wrapper's limit

Advisers are already active in private markets. Eighty-seven percent invest in private or less liquid assets, with direct investments or private-market funds remaining the preferred way to access them in both the U.S. and Europe. Yet respondents are far less convinced about putting those assets inside an ETF. The structure that has won broad acceptance across nearly every other asset class still faces real resistance here.

The tension is striking. Nearly half of respondents are open to accessing private or less liquid assets through an ETF, but only 16% consider private markets a good fit for the ETF structure, the lowest of any asset class tested. Fifty-eight percent consider them a poor fit, the highest of any asset class tested.

Private-market ETF concerns vary by country

Respondents could select all that apply



	US	EMEA	UK	France	Germany	Italy
Liquidity mismatch between ETF and underlying assets	58%	64%	69%	53%	69%	65%
Less valuations transparency/pricing accuracy	47%	51%	47%	45%	56%	56%
Lack of track record	44%	43%	52%	35%	39%	48%
Complexity of the strategy	52%	31%	35%	24%	40%	27%
Lack of client understanding/suitability concerns	41%	31%	39%	36%	28%	23%
Less performance reliability	33%	33%	31%	59%	23%	20%
Regulatory or structural risks	30%	30%	33%	36%	29%	20%
I do not have concerns	3%	1%	1%	0%	0%	4%

Liquidity is where the tension becomes clearest

The findings consistently suggest that liquidity can strengthen the case for ETFs. With private markets, it becomes the leading concern. Sixty-two percent cite a concern about a mismatch between the liquidity of the ETF and that of its underlying assets, ahead of valuation transparency at 50% and a lack of a track record at 44%.

Liquidity is the common thread across markets. Beyond liquidity, concerns become more market-specific. In France, for example, 59% cite less reliable performance as a concern, compared with substantially lower levels elsewhere.

Taken together, these concerns help explain the gap between openness to private-market ETFs and confidence in the structure. Respondents are not rejecting private-market ETFs outright, but they want evidence that the benefits of the ETF wrapper can work with the characteristics of the underlying assets.

What could shift the equation?

Respondents are also clear about what could increase their willingness to consider private-market ETFs. Lower fees relative to existing structures rank first, at 55%, followed by a strong track record, at 52%, and greater transparency into holdings and valuation, at 50%.

The opportunity, then, appears conditional. As ETFs move into less liquid exposures, the structure has to demonstrate that it can deliver access without compromising the characteristics advisers value in the underlying investment.

Where the picture differs

European respondents are more skeptical about fit.

64% consider private markets a poor fit for the ETF structure, compared with 44% in the U.S.

Liquidity concerns rise with AUM in Europe.

Among European respondents, 72% of those overseeing USD 500 million or more cite liquidity mismatch as a concern, compared with 56% among those overseeing less than USD 500 million.

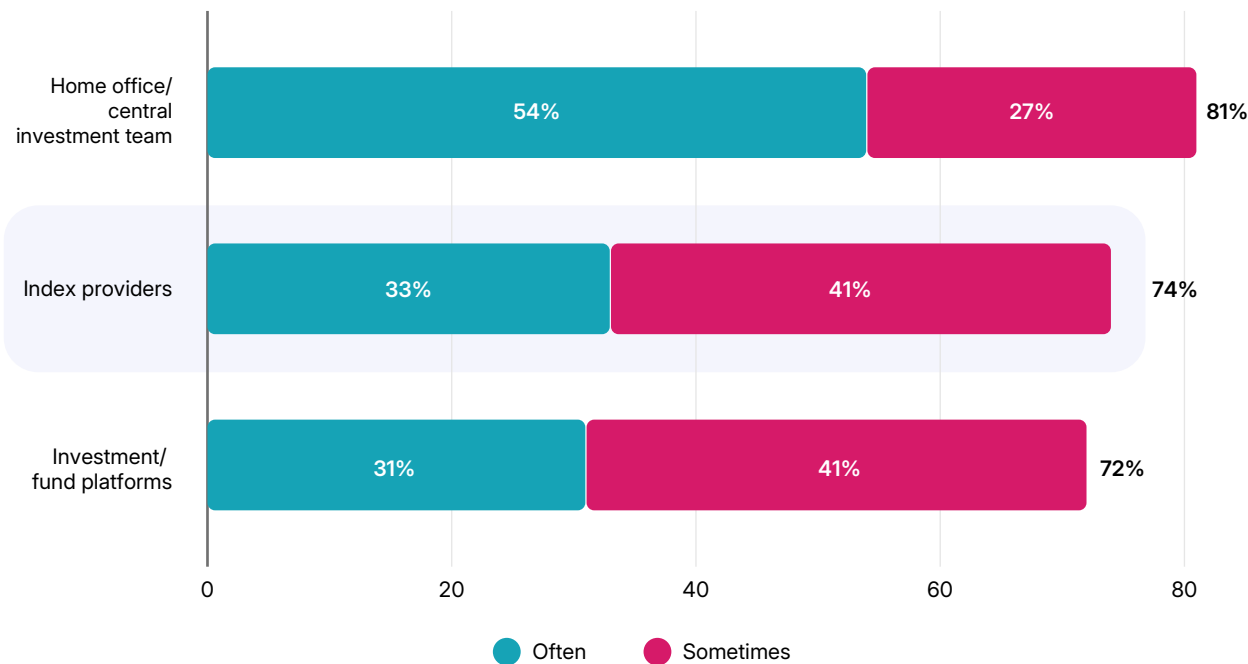
Index providers play a role in ETF selection

Index providers are an important source of information when advisers choose ETFs. Seventy-four percent turn to them often or sometimes when selecting ETFs, second only to the home office or central investment team among the sources tested. When respondents choose between ETFs with similar exposures, 80% say the index provider influences their final decision at least sometimes.

That role is particularly pronounced in Europe. Seventy-nine percent of European respondents rely on index providers often or sometimes, compared with 66% in the U.S. In addition, 43% say the provider always or often influences their choice between similar ETFs, versus 27% in the U.S.

Index providers are a key resource for ETF selection

Frequency of relying on each source when selecting ETFs



Benchmarks matter beyond passive ETFs

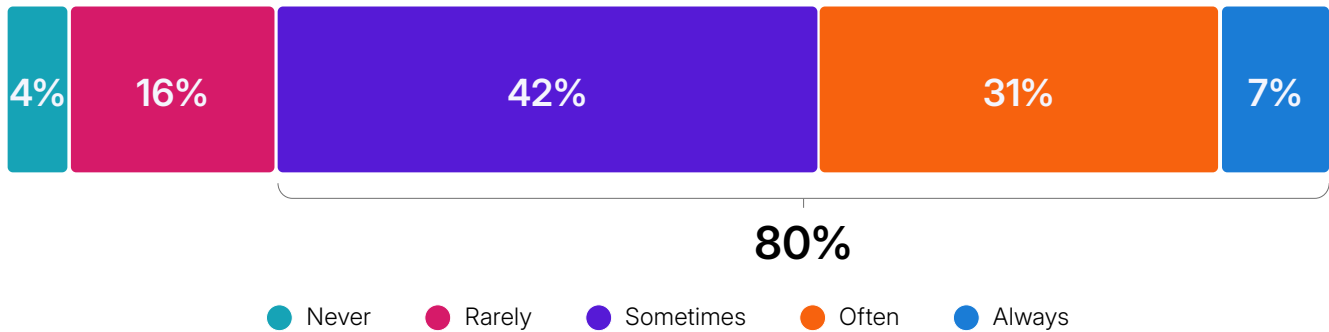
The growth of active ETFs does not diminish the role of the benchmark in respondents' evaluations. Sixty-seven percent consider the referenced benchmark extremely or very important when evaluating an active ETF, rising to 73% in Europe.

But respondents are using the benchmark for more than measuring performance. Sixty-nine percent use it as a performance reference point, 51% use it to help define the investment universe or opportunity set and 50% use it to support portfolio-construction decisions. Forty-five percent also use it to assess risk characteristics.

For active ETFs, these findings point to a broader role for the benchmark. The benchmark gives advisers a reference point for assessing where the strategy is taking active risk, how that translates into portfolio exposures and whether the outcome is consistent with the role the strategy is expected to play.

The index provider matters

How often the index provider influences the final decision between similar ETFs



Conclusion

The next phase of ETF growth will be defined by fit

The findings point to an ETF market with considerable room to develop. Active ETFs are already mainstream among respondents and expected to grow further. Advisers are looking for greater choice across strategies and exposures, while many also expect to broaden their equity allocations beyond their home markets. But the opportunity revealed by the survey is not simply about offering more ETFs.

As the ETF wrapper stretches across more strategies and asset classes, the fit between the structure and the underlying investment becomes more important. Advisers want the structure to suit the strategy, costs to reflect the value of the exposure and liquidity to work with the underlying assets. As active investors take a larger role, they also want benchmarks that provide meaningful context for evaluating decisions beyond the index.

These considerations will not play out in the same way everywhere. The direction of ETF adoption may be broadly shared, but the forces shaping it are distinctly local. For asset managers operating across markets, understanding those differences will matter as much as identifying the global opportunity.

The next phase of the ETF market will therefore be about more than putting more strategies into an ETF wrapper. The opportunity lies in knowing where the structure adds value, where its limits lie and what it takes to earn a place in the portfolio.

A global foundation for ETFs

We bring together deep index expertise, high-quality data and research to help investors turn investment ideas into strategies and portfolios. Our globally consistent index frameworks span markets, asset classes and investment approaches, providing the transparency and comparability investors need to evaluate opportunities with confidence.

We continue to innovate alongside the ETF market, developing new indexes and insights as investor needs expand across active and passive strategies, themes, factors, sustainability and new areas of investment.



239,000+
equity indexes across
market-cap, factor,
thematic, sustainability
and climate categories.¹



USD 21T
in assets under
management
benchmarked to
MSCI indexes.²



1,400+
equity ETFs linked to
MSCI indexes.³



USD 2.8T
in ETF assets tracking
MSCI equity indexes.⁴

¹ As of June 2026.
² As of March 2026.
³ As of March 31, 2026.
⁴ As of June 2026.



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