Gold in focus: how investors are choosing to access the precious metal

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Key Takeaways

- Investors are increasing gold exposure: WisdomTree's 2025 survey found that gold now accounts for an average 5.7% of portfolios, equal to allocations to developed-market sovereign debt. Nearly 38% of respondents plan to increase their holdings, reaffirming gold's status as the top-ranked safe-haven asset in times of market stress.
- ETPs are the preferred access route: When asked how they would increase exposure, 39.4% of investors chose gold ETPs, well ahead of physical gold (19.7%), futures/options (19.6%), and mining equities (18.6%). This reflects investors' focus on cost efficiency, transparency and operational simplicity.
- Transparency, cost and currency management matter: 40% of investors identified both transparency and lower cost as key reasons for adopting ETFs, while 36% cited improved access to alternatives such as commodities. For European and UK investors, WisdomTree's currency-hedged gold ETPs - GBSE (EUR-hedged) and GBSP (GBP-hedged) - offer efficient exposure to gold without the drag of FX volatility.

A new era for gold investing

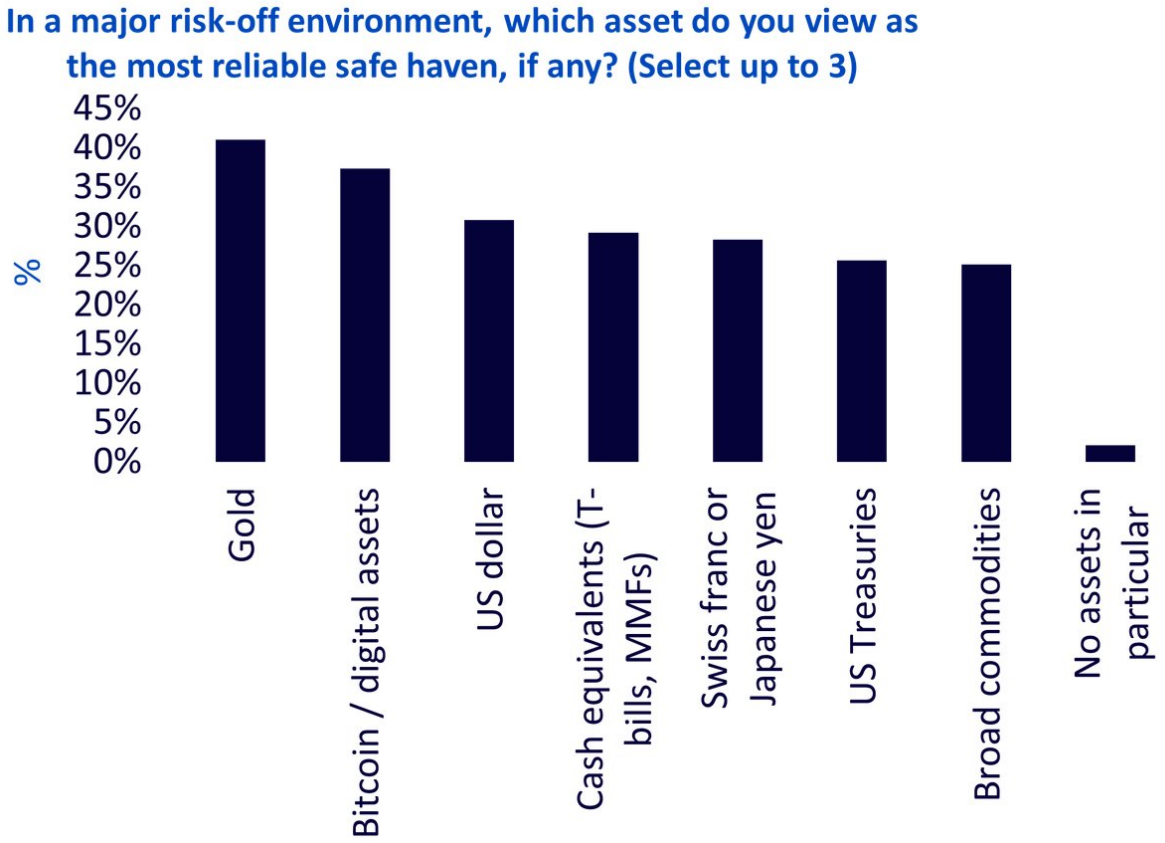
Gold has had a spectacular rally in 2025, on track to deliver its strongest returns since the 1970s, when it first became an investable asset in the US. While today's environment lacks the hyperinflation of that era, investor faith in gold as a hard asset has returned with a vengeance, fuelled by unprecedented policy uncertainty, elevated government debt and fears of fiscal dominance (a situation in which fiscal policy effectively dictates or constrains monetary policy) meaning the central bank's decisions are influenced primarily by the need to finance government debt rather than by its usual objectives, such as controlling inflation or stabilising the economy.

Our client conversations make one thing clear: the question is no longer whether to invest in gold, but how much, and crucially, through which vehicles.

Investor sentiment: Gold as a core allocation

WisdomTree's 2025 survey of 802 participants revealed that, on average, investors now hold 5.7% of their portfolios in gold, roughly on par with allocations to developed market sovereign debt.

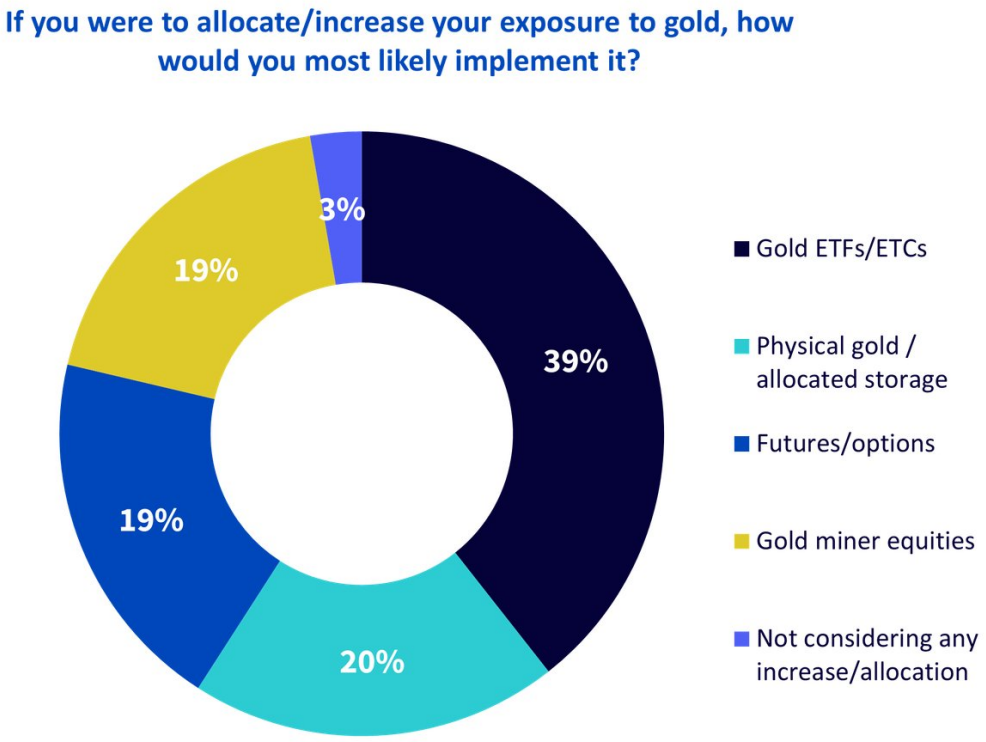
Moreover, nearly 38% of respondents plan to increase their gold exposure, recognising gold's enduring role as both a portfolio diversifier and a hedge during periods of market stress. When asked to identify the most effective safe-haven asset in a risk-off environment, investors ranked gold as number one, which is notably higher than the US Dollar and Treasuries.



How investors are accessing Gold

When asked "If you were to allocate or increase your exposure to gold, how would you most likely implement it?", 39.4% of investors selected gold exchange-traded commodities (ETCs).

By contrast, physical/allocated storage (19.7%), futures/options (19.6%) and gold mining equities (18.6%) trailed far behind.



These results demonstrate that investors have evaluated the trade-offs among different access routes and gravitated toward the one that offers cost efficiency, ease of execution and operational simplicity, all key strengths of the exchange-traded product (ETP) structure.

The main routes to Gold exposure

Physical Gold: tangible but costly

The most traditional route is to purchase gold directly from authorised dealers, in the form of bullion bars or minted coins. This provides full ownership and eliminates counterparty risk, a reassuring prospect for investors who value physical possession.

However, this approach comes with notable costs and logistical challenges: fabrication and dealer premiums, secure storage and insurance. As a result, physical ownership is typically best suited for long-term holders focused on wealth preservation rather than tactical exposure.

Gold futures: leveraged but demanding

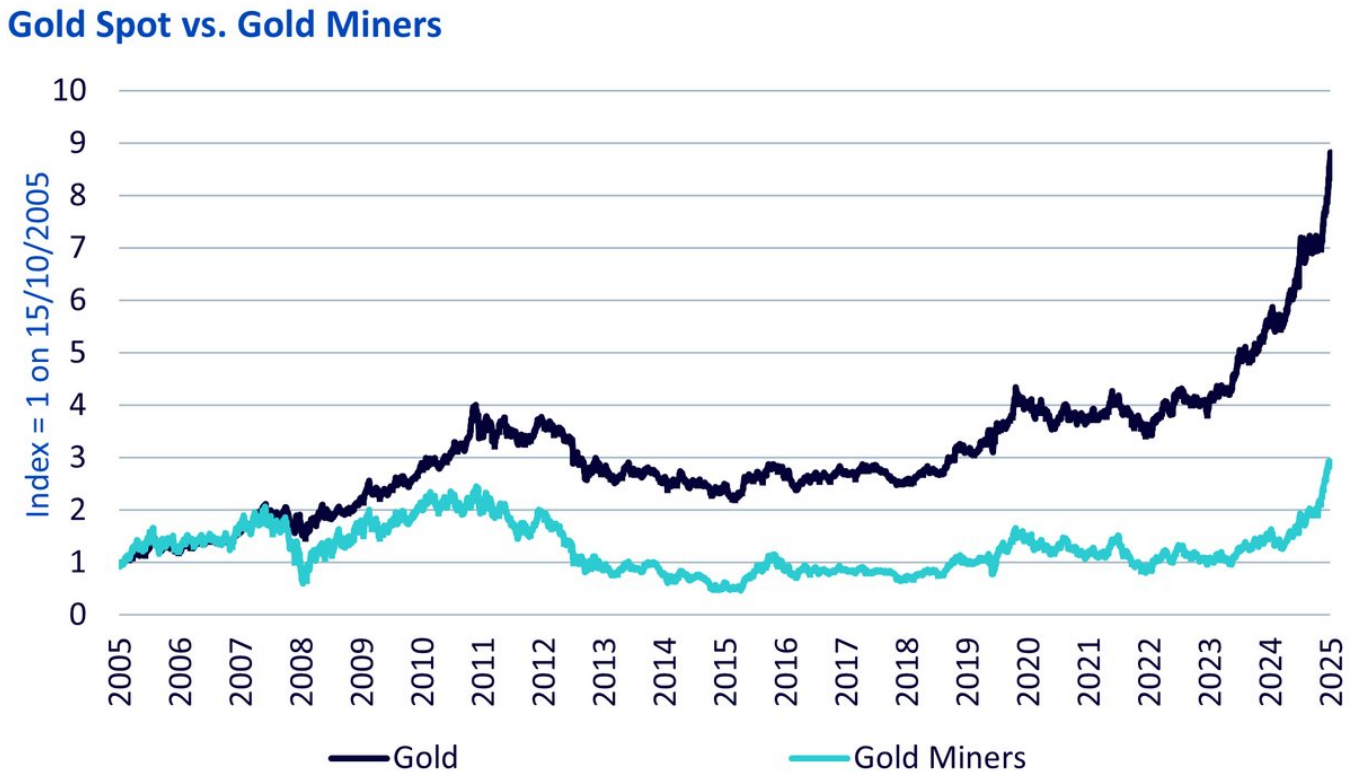
Futures contracts allow leveraged and capital-efficient exposure to gold prices. Yet they also introduce complexities. Returns depend on the shape of the futures curve; when markets are in contango (longer-dated futures above spot), rolling costs can erode returns.

Managing futures positions also requires margining and expertise, making them largely the domain of institutional or sophisticated investors rather than retail participants.

Gold mining equities: leveraged but unpredictable

Shares of gold mining companies tend to offer amplified exposure to the gold price, where profits can expand disproportionately when gold rises, often boosting returns relative to the metal. However, this leverage works both ways.

Mining equities face operational, geopolitical and cost risks unrelated to gold's price, meaning they frequently diverge from bullion performance. For many investors, they serve best as a complement to, not a replacement for, direct gold exposure.



Source: Bloomberg, WisdomTree. October 2005 to October 2025. **Historical performance is not an indication of future performance and any investments may go down in value.** Gold is spot price and gold miners is the NYSE Arca Gold Miners Index.

Gold ETPs: efficient, transparent and accessible

Gold ETPs have revolutionised access to the precious metal since their introduction in the early 2000s. Listed on major exchanges and tradable intraday, they enable investors to buy or sell gold exposure as easily as any equity.

Their appeal lies in combining the price integrity of physical bullion with the efficiency and liquidity of listed securities. Investors gain exposure to the metal's performance without the logistical burden of owning, storing or insuring it.

Physically backed gold ETPs now hold close to 100 million troy ounces of gold globally, reflecting their widespread adoption by both institutional and retail investors. They have become the default instrument for investors seeking efficient, scalable and transparent exposure to gold.

Physically-backed vs. synthetic Gold ETPs

Not all ETPs are structured alike.

- **Physically-backed ETPs** hold allocated bullion in secure, audited vaults, with each unit corresponding to a specific quantity of gold. They closely track spot prices with minimal counterparty risk.
- **Synthetic ETPs,** by contrast, use derivatives such as swaps or futures to replicate gold exposure. While operationally convenient, they introduce counterparty and tracking risks, especially in contango markets or times of market stress (such as 2020 and 2025).

For most investors, physically backed gold ETPs remain the preferred route, offering the best balance of security, transparency and tracking precision.

Why ETPs dominate: transparency and cost

Our survey confirms that 'transparency' (40%) and 'lower cost' (40%) are the two leading drivers of exchange-traded fund (ETF) adoption, followed by better access to alternatives such as commodities (36%).

When asked which asset classes they were most likely to access through ETFs/ETPs, digital assets (28.6%) and gold (25.8%) ranked highest.

The structural advantages of ETPs, such as cost-efficiency, liquidity and transparency, align precisely with what investors say they value most.

Currency-hedged solutions for European and UK investors

For investors concerned about currency volatility, WisdomTree offers currency-hedged gold exposures designed to hedge the currency movements so that Euro and Sterling-based investors get a similar return to those investing in US Dollar terms.

- GBSE – WisdomTree Physical Gold - EUR Daily Hedged
- GBSP – WisdomTree Physical Gold - GBP Daily Hedged

These strategies help investors capture gold's core benefits - diversification, inflation protection, and defensive qualities - without unwanted currency noise.

Conclusion

As macroeconomic uncertainty endures, gold's role as a portfolio anchor remains unquestioned. The conversation has evolved from why investors should hold gold to how they should do so.

The data are unambiguous: investors overwhelmingly favour ETPs as the modern, efficient and transparent way to access the precious metal. For those seeking refined exposure, WisdomTree's currency-hedged ETPs (GBSE and GBSP) offer the flexibility to focus purely on gold's intrinsic value, without the distractions of currency volatility.

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