

Gold's Historic 2025 Surge

Published September 17, 2025

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Key Takeaways

- Gold has surged over 30% year-to-date in 2025, driven largely by unprecedented central bank demand and geopolitical tensions, rather than traditional ETF flows.
- Despite the price rally, gold exchange-traded products have remained relatively flat in terms of the ounces of the metal they hold, suggesting a powerful demand driver, in retail and institutional ETF investors, has yet to fully engage.
- [GDE](#) and [GDMN](#) offer capital-efficient strategies to gain exposure to gold, either paired with U.S. equities or gold miners, and may benefit if broader ETP flows return to the market.

In every civilization, from the pharaohs of ancient Egypt to the medieval empires, gold has served as more than a metal: it's been a vessel of trust, memory and permanence. Fastforward to 2025, and gold's price per troy ounce has shattered expectations, surging roughly 34%–38%, year-to-date, to an all-time high north of **\$3,500**, with intraday peaks around **\$3,526–\$3,527.1**

The bedrock of this rally is central bank demand. In Q2 2025 alone, official global reserves swelled by approximately **166 tonnes**. If anything, this strong interest merely echoes central banks' record purchases in recent years, including well over **1,000 tonnes** in 2024.² It's not impulse buying; it's a structural shift. Central banks are quite clearly bolstering their holdings of hard assets and using gold predominantly to do it.

Their moves are reflected across the broader market. As central banks accumulate, investment allocators respond, not by asking whether gold yields, but by weighing its utility as a bulwark against bond and currency risk. A U.S. dollar that continues to weaken, more stubborn inflation pressures and geopolitical flashpoints only amplify that narrative. Moreover, individual bar-and-coin investors have jumped in. This year is off to the strongest bar-and-coin buying start since 2013.³

So, what does this mean? Is gold's breakout a cyclical spike or a deeper paradigm shift? Gold is reclaiming its place, not as a passive commodity, but as a foundational hedge in a potentially different monetary order. We're seeing technology perk innovation, but also systemic anxiety, that pushes us back to analog anchors. Thus, gold in 2025 stands not merely as a price benchmark, but as a signal that we may be in the early stages of recalibrating how we define and preserve value in the modern world.

From Nixon to Now: Contextualizing 2025's Gold Price Surge

A year-to-date gain of 30%–40% in gold is not just another strong run; it is a move that commands historical perspective. As shown in figure 1, since 1971, when President Nixon closed the gold window and ended the convertibility of dollars into bullion, gold has been free to trade as a market asset rather than a fixed anchor of the monetary system. Over more than five decades, there have been standout years: 1979's near-doubling during the inflation crisis, 2007–2011's 150% surge during the global financial crisis and 2020's pandemic-driven flight to safety. But these were largely full-year moves. For 2025 to already register a gain north of 30% in just eight months puts it in elite company, rivaling only the sharpest stress-driven episodes in modern financial history.

That framing matters. Gold is often dismissed as inert, but when it delivers equity-like returns over short spans, it tends to coincide with deeper re-orderings of macro conditions. A 30%–40% rally year-to-date dwarfs the average annual performance of gold since 1971 (roughly 7%–8% per year) and exceeds what many sovereign bonds or major equity indexes would deliver in multiple years combined. It's a reminder that gold has a dual nature: most of the time it is a quiet insurance policy, but in moments of systemic doubt it reverts to its ancient role as a store of unquestioned value. The 2025 surge forces investors to ask whether this is another spike tied to short-term turbulence, or the first leg of a longer regime shift in how the world values money itself.

- **Gold's best years have been rare and dramatic.** The standout was 1979, when the price more than doubled (+126.5%) amid inflationary panic and geopolitical strain. Other strong years cluster around periods of systemic stress, including 1973–74 during oil shocks, 2007–10 during the global financial crisis and, most recently, 2020 and 2024 when the pandemic and subsequent fiscal dynamics revived demand for safe havens.
- **Its worst years have been sharp, but less frequent.** The early 1980s bear market (–32.6% in 1981) came as Volcker's Fed crushed inflation with double-digit interest rates. More recent declines, such as 2013's 28.3% drawdown, reflected confidence in fiat policy and equity bull markets. The 2025 rally already eclipses most of gold's historic "best years," highlighting how unusual and significant this breakout is in the modern post-1971 era.

Figure 1: Gold's Roller Coaster (Best & Worst Years since 1971)

Ten Best Years		Ten Worst Years	
1979	126.5%	2000	-5.5%
1974	72.3%	1991	-7.7%
1973	67.0%	2015	-10.4%
1972	47.0%	1988	-15.3%
1978	37.0%	1983	-16.3%
2007	30.9%	1984	-19.2%
2010	29.6%	1997	-21.4%
2024	27.2%	1975	-23.7%
2020	25.1%	2013	-28.3%
2002	24.8%	1981	-32.6%

Source: Bloomberg, specifically the XAU Currency price series. 1971 marked the end of the dollar's peg to gold, when on 8/15/1971, President Richard Nixon announced the "Nixon Shock," that the U.S. would suspend the dollar's convertibility into gold. This was meant as a temporary measure but became permanent. **Past performance is not indicative of future results.**

The Untapped Catalyst: What Happens if ETP Flows Increase?

When investors want gold exposure through public markets, although neither [GDE](#) nor [GDMN](#) hold physical gold, one of the most straightforward routes is via exchange-traded products (ETPs) that are backed by physical gold. These vehicles are transparent in a way that physical bar-and-coin purchases or central bank accumulation are not, because every new unit created must be backed by an incremental amount of bullion, held physically in a vault. As a result, changes in ETP holdings give us a visible, high-frequency readout of whether investors are allocating more (or less) to gold on net. Over time, this has made gold ETP demand a proxy for global retail and institutional appetite.

What stands out in the current cycle is the divergence between price and flows. Gold has surged from roughly \$1,500 per ounce in late 2019 to more than \$3,500 in 2025,⁴ yet the total ounces held by gold ETPs have remained broadly flat. In fact, ETP holdings peaked during the pandemic and then drifted lower before modestly stabilizing, even as prices broke record after record. The implication is clear: the 2025 rally cannot be primarily explained by a wall of money moving through ETPs. Instead, other demand vectors, particularly central bank buying, are doing more of the heavy lifting.

That dynamic sets up an intriguing hypothesis. If gold can rally more than 30% in a period of eight months without major ETP inflows, what happens if those flows return in force? With global mine supply adding only about 3,500–4,000 tonnes annually,⁵ incremental investment demand matters enormously for price discovery. Should ETP investors re-engage, whether because momentum proves irresistible or macroeconomic risks deepen, it could represent a fresh source of structural demand on top of already strong central bank activity. Put differently, the current breakout has happened without one of the largest historical demand engines firing. If this condition changes, supply and demand mechanics suggest the upside could prove even more pronounced.

Figure 2: The Gold Price Rally That ETP Flows Didn't Fuel



Sources: LBMA & Bloomberg. Period is 12/31/19–9/3/25. **Past performance is not indicative of future results.**

Figure 2 makes one thing clear: gold's breakout has not been driven by ETP flows. That means one of the historically important demand engines has remained largely dormant, even as the price surged to record levels. For investors, that raises a critical question: how best to position for gold's role in a portfolio if demand broadens further? At WisdomTree, we spend a lot of time thinking about different ways to generate exposure to gold, strategies that go beyond simply looking solely at different means to generate returns based on the price movements of gold itself.

WisdomTree Efficient Gold Plus Equity Strategy Fund (GDE): Gain Core U.S. Equity Exposure with an Inflation Hedge

The essence of [GDE](#) is solving the age-old investor dilemma: how to capture the protective qualities of gold without sacrificing equity participation. The Fund does this by delivering capital-efficient exposure to U.S. large-cap equities while overlaying gold futures. This, we note, is not the same as holding physical

gold—**GDE**, to be clear, does not hold physical gold, but the structure allows portfolios to remain invested in equities while simultaneously generating exposure to gold futures which can help with, negative real yields and geopolitical shocks, scenarios where U.S. Treasuries have often struggled. Specifically, for each \$100 invested, \$90 is exposed to a basket of 500 U.S. large-cap stocks (market capitalization-weighted), \$10 is exposed to short-term Treasuries and then there is a \$90 notional exposure to gold futures. The notional exposure for each \$100 allocation is \$180.

By design, **GDE** has potential for a more defensive character in U.S. equity drawdowns, when gold may outperform U.S. equities, and then has potential to participate in U.S. equity recovery rallies, when equities may regain leadership.

WisdomTree Efficient Gold Plus Gold Miners Strategy Fund (GDMN): Exposure to the Broader Gold Value Chain in a Single Fund

GDMN was built on a simple but powerful idea: investors shouldn't have to choose between gold bullion and the companies that mine it. Although **GDMN** does not directly hold physical gold, it does offer a combination of exposures to equities—the gold miners—and gold futures. It is an interesting one-stop vehicle that captures gold's dual story, the potential stability and history of futures contracts on the metal itself and the potentially amplified earnings leverage of miners when gold prices rise. Specifically, for every \$100 invested, \$90 is exposed to a basket of gold mining equities, \$10 is exposed to short-term Treasuries and then there is a \$90 notional exposure to gold futures. The notional exposure for each \$100 allocation is \$180.

This design recognizes that the gold industry is an integrated value chain, and owning across that spectrum gives investors a wider participation in gold's market ecosystem. By bringing together gold exposure and mining equities, **GDMN** offers a comprehensive way to ride a gold bull market while potentially smoothing the extremes of owning only one side of the trade.

As described, both **GDE** and **GDMN** incorporate leverage within their underlying strategies. Leverage can increase volatility, and it's important that investors recognize this fact.

Figure 3: Standardized Performance

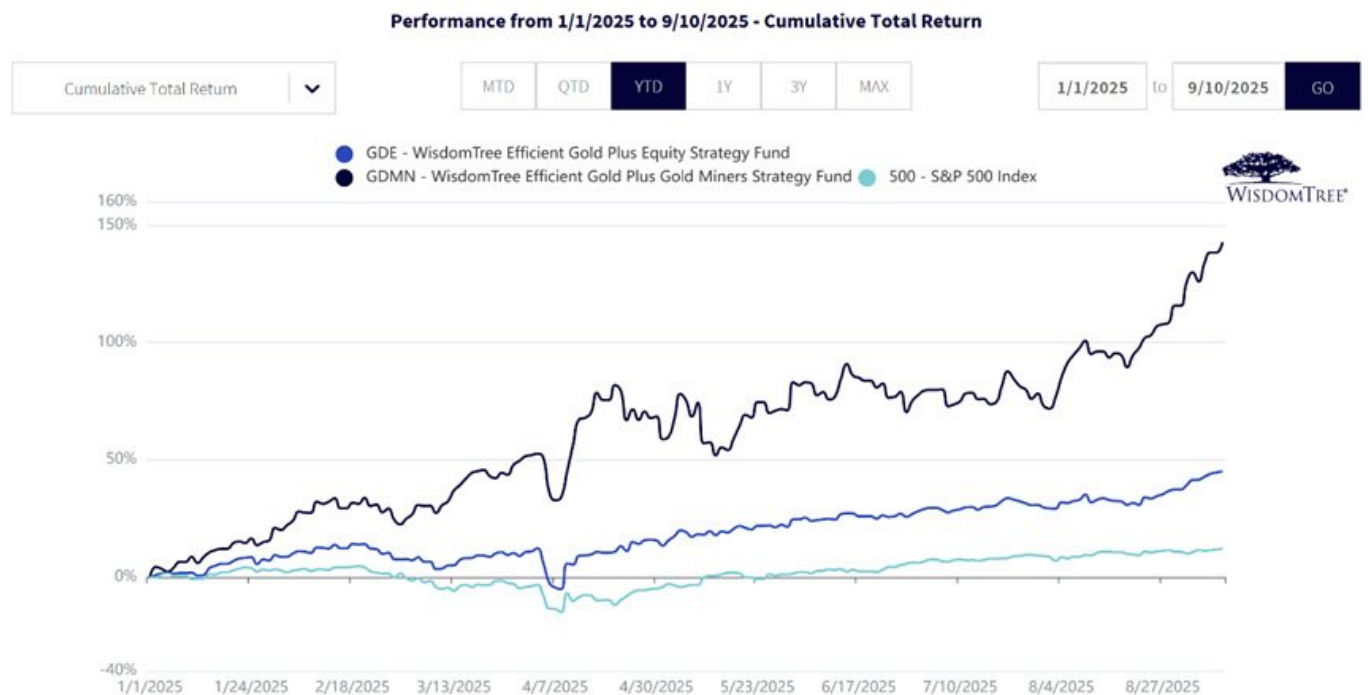
Fund/Index Name	Fund Ticker Symbol	Fund Inception Date	Fund Expense Ratio	Fund SEC 30-Day Yield	Year-to-Date	1-Year	3-Year	5-Year	10-Year	Since Fund Inception
WisdomTree Efficient Gold Plus Gold Miners Strategy Fund (NAV)	GDMN	12/16/21	0.45%	0.67%	75.24%	92.80%	37.84%	N/A	N/A	28.40%
WisdomTree Efficient Gold Plus Gold Miners Strategy Fund (MP)	GDMN	12/16/21	0.45%	0.67%	76.05%	94.35%	38.05%	N/A	N/A	28.57%
WisdomTree Efficient Gold Plus Equity Strategy Fund (NAV)	GDE	3/17/22	0.20%	1.03%	26.93%	49.41%	35.11%	N/A	N/A	24.31%
WisdomTree Efficient Gold Plus Equity Strategy Fund (MP)	GDE	3/17/22	0.20%	1.03%	27.30%	48.50%	35.26%	N/A	N/A	24.42%
S&P 500 Index					6.20%	15.16%	19.71%	16.64%	13.65%	N/A

Sources: Morningstar, FactSet and WisdomTree, specifically data from the PATH Fund Comparison Tool, accessed as of 9/4/25, but showing returns for the period ended 6/30/25. NAV denotes total return performance at net asset value. MP denotes market price performance. **The performance data quoted represents past performance and is not indicative of future results. Investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than the performance data quoted. For the most recent month-end and standardized performance, click the relevant ticker: [GDMN](#), [GDE](#).**

In figure 4, we see how these strategies have delivered in 2025, a year that we note represents a particularly strong year. For [GDE](#), U.S. equities and gold have trended up. For [GDMN](#), gold mining equities have been strong in the face of record high gold prices, as of this writing. It's important to recognize that performance may not always be this strongly positive.

- **[GDE](#) and [GDMN](#)'s strong 2025 performance:** [GDMN](#) has surged well over 100% year-to-date, while [GDE](#) has eclipsed 30% cumulative gains. To provide context, we also include the S&P 500 Index in figure 4.
- **The takeaway is clear:** Many investors that we have spoken to look at gold and tend to have a view. If they believe gold's price will rise, part of the conversation then typically turns to how gold miners could see an even larger potential upside as gold miners generate greater revenues and cash flows in a higher gold price environment. [GDMN](#) allows for exposure to both the price appreciation of gold as well as the underlying mining companies in one strategy. On the other hand, it can be difficult to choose between broad U.S. equities and gold, recognizing that over long periods, usually equities have outperformed. [GDE](#) takes away the need to make that choice.

Figure 4: From 2025's Strong Gold Narrative to Strong Returns



Sources: Morningstar, FactSet and WisdomTree, specifically data from the PATH Fund Comparison Tool, accessed as of 9/11/25, but showing returns for the period ended 9/10/25. NAV denotes total return performance at net asset value. **The performance data quoted represents past performance and is not indicative of future results. Investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than the performance data quoted. For the most recent month-end and standardized performance, click the relevant ticker: [GDMN](#), [GDE](#).**

Conclusion: Gold's Breakout and the Next Chapter for Investors

Gold's surge in 2025 is not just about price charts. It reflects a deeper recalibration of the global monetary system. Central banks are stockpiling reserves, bar-and-coin demand has roared back and yet ETP flows have so far been relatively dormant, leaving a powerful demand lever for gold still on the sidelines. The question now is not whether gold belongs in modern portfolios, but how best to access it. WisdomTree's [GDE](#) and [GDMN](#) strategies offer two distinct answers, one marrying gold exposure with equities for capital efficiency, the other spanning a broader spectrum of gold's value chain. In both cases, they translate a timeless store of value into investable tools for today's evolving landscape.

1 Source: "Gold Price Vaults Past \$3,500 to New Record," Financial Times, 9/2/25.

2 Sources: "Gold Demand Trends: Q2 2025," World Gold Council, 7/31/25; "Gold Demand Trends: Full Year 2024 – Central Banks," World Gold Council, 2/5/25.

3 Source: "Gold Demand Trends: Q2 2025," World Gold Council, 7/31/25.

4 Source: LBMA, or London Bullion Market Association. Data as of 9/3/25.

5 Source: Darren Parker, "Global Gold Supply to Rise by 1% This Year, Report Shows," Mining Weekly, 6/6/25.

Important Risks Related to this Article

There are risks associated with investing, including the possible loss of principal. Please read the Fund's prospectus for specific details regarding the Fund's risk profile.

GDE: The Fund is actively managed and invests in U.S.-listed gold futures and U.S. equity securities. The Fund's use of U.S.-listed gold futures contracts will give rise to leverage, magnifying gains and losses and causing the Fund to be more volatile than if it had not been leveraged. Moreover, the price movements in gold and gold futures contracts may fluctuate quickly and dramatically, and have a historically low correlation with the returns of the stock and bond markets. U.S. equity securities, such as common stocks, are subject to market, economic and business risks that may cause their prices to fluctuate. The Fund's investment strategy will also require it to redeem shares for cash or to otherwise include cash as part of its redemption proceeds, which may cause the Fund to recognize capital gains.

GDMN: The Fund is actively managed and invests in U.S.-listed gold futures and global equity securities issued by companies that derive at least 50% of their revenue from the gold mining business ("Gold Miners"). The Fund's use of U.S.-listed gold futures contracts will give rise to leverage, magnifying gains and losses and causing the Fund to be more volatile than if it had not been leveraged. Moreover, the price movements in gold and gold futures contracts may fluctuate quickly and dramatically, and have a historically low correlation with the returns of the stock and bond markets. By investing in the equity securities of Gold Miners, the Fund may be susceptible to financial, economic, political, or market events that impact the gold mining sub-industry, including commodity prices and the success of exploration projects. The Fund may invest a significant portion of its assets in the securities of companies of a single country or region, including emerging markets, and thus, the Fund is more likely to be impacted by events and political, economic, or regulatory conditions affecting that country or region, or emerging markets generally. The Fund's investment strategy will also require it to redeem shares for cash or to otherwise include cash as part of its redemption proceeds, which may cause the Fund to recognize capital gains.