

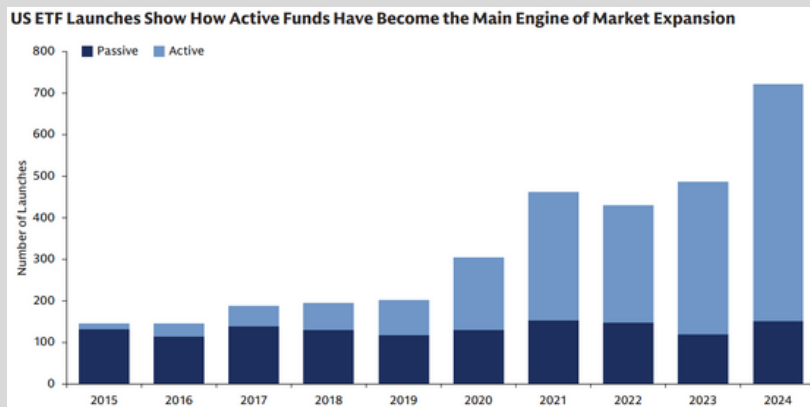
April 20, 2025: Goldman Sachs - Active ETFs for Portfolio Construction

The advantages of active ETFs

Key Points

- **Flexible and efficient:** Active ETFs offer the benefits of both stock-like trading and active management.
- **Growing market:** Active ETF AUM surpassed \$1 trillion in 2024, fueled by demand for income and risk-managed strategies.
- **Strategic use:** Derivative-income and buffer ETFs help manage volatility and enhance income while maintaining equity exposure.

Active ETFs are growing in popularity as investors seek for new strategies



Source: Goldman Sachs and Morningstar

Summary

This week's report from Goldman Sachs explores the growing role of active exchange-traded funds (ETFs) as a versatile tool for investors.

With over \$1 trillion in AUM, active ETFs combine the benefits of active management—such as security selection and alpha-seeking strategies—with the liquidity, transparency, and efficiency of ETFs.

Products like derivative-income and buffer ETFs are gaining popularity, offering income and downside protection in uncertain markets. As investor needs evolve, these strategies can enhance portfolio flexibility, especially within model portfolios and asset allocation frameworks.

OUR VANTAGE POINT

At Vantage Capital, we see active ETFs as increasingly relevant in today's environment of uncertainty and policy shifts. Their ability to blend tactical precision with cost-efficient implementation allows investors to stay nimble. In particular, options-based strategies, like those used in derivative-income ETFs, are effective in generating yield and buffering downside risk—without tying returns to interest rates. For clients seeking **flexibility, income, and smart diversification**, active ETFs are a compelling solution we are actively incorporating into model portfolio design and wealth strategies.

For a more detailed analysis and personalized investment strategies, please contact one of Vantage Capital's advisors.

OTHER REPORTS WE ARE WATCHING

- **Goldman Sachs:** Bear Market Anatomy, [available here](#)
- **Bridgewater Associates:** Investing in a New World, [available here](#)

WE'D LOVE TO HEAR FROM YOU,
REACH ONE OF OUR ANALYSTS

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