THREE HORIZONS CAPITAL · RESEARCH

Five ETFs. Five Different Jobs.

Traditional, buffer, option income, autocallable, leveraged: each was built for a different job, and in the US, Europe and the UK the money, the investors and the shelves are moving toward the newer four. We mapped the five types across all three markets and the demand behind each. Then one note of caution: read the label, then the clock.

2.7% and 4.4%

US: the four newer types' share of US ETF assets, and of US ETF net inflows over the latest 12 months

About 18 times

Europe: growth in option income assets on Xetra over two years, from EUR 0.42bn to EUR 7.45bn

11 of 16

UK: UK investment platforms in our data that list option income ETFs

THE FINDING IN ONE LINE

Each type of ETF does a different job: know the job, read the label, and for three of the five, read the clock that decides the result.

Three Horizons Capital, Portfolio Construction. US ETF data to 31 Oct 2026; European fund flows to 31 Oct 2026; Xetra statistics to Sep 2026; retail holder counts Oct 2026; platform product lists early Nov 2026. Research, not investment advice.

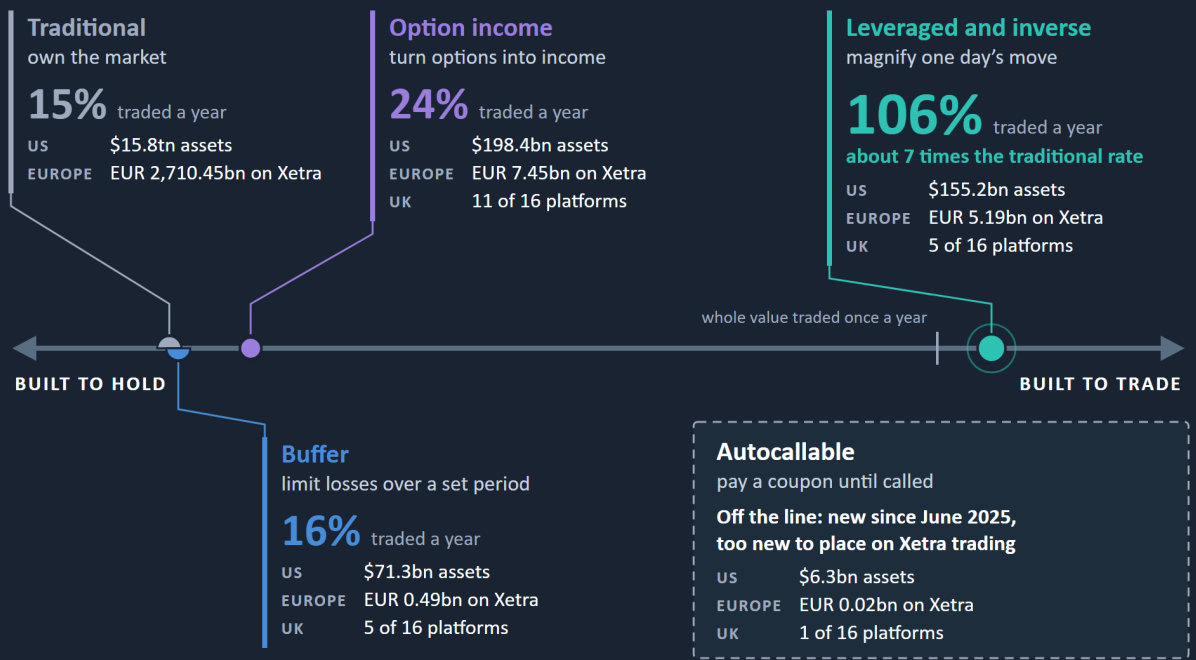
01 Five types of ETF do five different jobs, and each is already bought in the US, Europe and the UK

Every type delivers what the ETF wrapper promises: daily liquidity, daily holdings and easy access. What separates them is the job each was built to do and what decides the result. Four are built to hold; leveraged funds are built to trade, and section 06 shows they are used that way.

EXHIBIT 1 | THE MAP

Five types, five jobs. Leveraged and inverse ETFs are the ones built to trade.

Place on the line: value traded on Xetra in a year, as a share of assets.
Under each name: US assets, Europe assets on Xetra, and UK platforms carrying it (of 16).



Xetra order-book trading Oct 2025 to Sep 2026 as a share of assets at end Sep 2026. US: US-listed ETF assets at 31 Oct 2026. Europe: total assets of products listed on Xetra, end Sep 2026. UK: platforms carrying the type, early Nov 2026. Leveraged and inverse: equity products (UK count: all leveraged). Europe figures are Xetra data: products listed on Xetra, one exchange, not the whole European market. 3HC research. Not investment advice.

The table sets out each type's job, what decides its result, and the question to ask of the product.

TYPE	THE JOB	WHAT DECIDES YOUR RESULT	CLOCK?	THE QUESTION TO ASK OF THE PRODUCT
Traditional	Own a market or asset class at low cost, for years	Where the index starts and ends	No	What does it track, and what does it cost each year?
Buffer	Cushion a fall over a set period, giving up gains above a cap	When you buy into the outcome period	Yes	Where is the fund in its outcome period today, and what buffer and cap remain at today's price?
Option income	Turn some of a market's upside into regular income	How far markets rise	No	How much upside does the fund give up, and how has its income held across different markets?
Autocallable	Earn a coupon while markets do not fall too far	When each tranche was struck, against its barrier	Yes	How far is each live tranche from its barrier, and does a missed coupon come back later (a memory coupon)?
Leveraged and inverse	Magnify a short-term view, up or down	How long you hold: the leverage resets daily	Yes	What holding period is it designed for, and how does the daily reset behave over longer ones?

Four terms, defined once. An **option income** ETF sells options on what it holds (covered calls or similar) and pays out the premium. A **buffer** ETF uses options to absorb a set part of a fall over a fixed **outcome period**, usually a year, in exchange for a cap on gains. An **autocallable** ETF holds a ladder of synthetic autocallable notes, each struck on a different date, paying a coupon while the index stays above a **coupon barrier**. A **leveraged** ETF targets a multiple, such as 2x or 3x, of one day's return and resets to it every day (the **daily reset**).

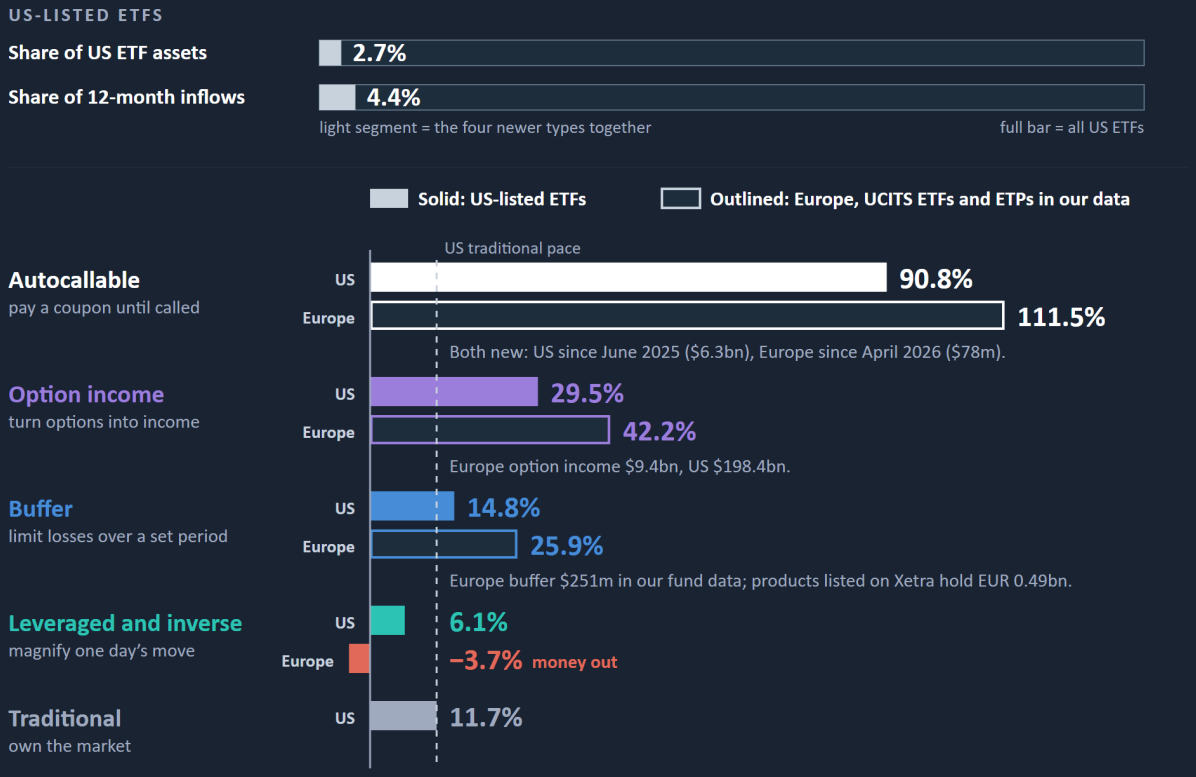
02 The money is moving toward the newer types in the US, and faster in Europe

In the US, the four newer types hold $431bn across 552 funds: 2.7% of the $16.2tn US ETF market, but 4.4% of its net inflows over the latest 12 months (+$84.3bn of +$1.9tn). In Europe they are earlier in the journey: under half of one percent of ETF assets and 0.8% of the latest 12 months' inflows. In the two types built to be held, option income and buffers, Europe is growing faster from new money.

EXHIBIT 2 | WHERE THE NEW MONEY IS GOING

Europe is growing faster than the US in option income and buffers, from a much smaller base.

Growth from new money: 12-month net flow as a share of assets, by type.



US-listed ETFs, 12 months to 31 Oct 2026, assets at 31 Oct 2026. Europe is fund data: UCITS ETFs and ETPs in our data, monthly flows to 31 Oct 2026; a part of the European market, not all of it. Traditional: US figure. Leveraged and inverse: equity products. Bar length true to the percentage, one scale for all bars. 3HC research. Not investment advice.

Option income leads in both markets. It is the largest newer type in the US and the steadiest: +$58.6bn in the latest 12 months after +$54.8bn the year before, growth of 29.5%. In our European fund data it grew 42.2%, from a base about a twentieth of the US ($9.4bn against $198bn).

Buffers are growing in both, faster in Europe. US buffer funds grew 14.8%, with inflows up from +$6.1bn to +$10.5bn. The 8 buffer funds in our European fund data, holding $251m, grew 25.9%; Xetra, a wider product set, lists 28 buffer products (section 03).

Autocallables are new everywhere. The US category launched in June 2025: 18 funds from about ten issuers took +$5.7bn in 12 months, 66% of it into funds launched in 2026, so its 90.8% growth is high by construction. Europe's three autocallable UCITS funds, launched in April and September 2026, show 111.5% for the same reason: +$87m of new money on $78m of assets.

Leveraged equity is turning in the US. It grew 6.1%, after net outflows of −$8.5bn in the prior 12 months. In our European fund data, 15 leveraged equity funds holding $2.5bn saw −$92m (−3.7%): in Europe it is a trading product, as section 06 shows.

European assets are a range, $3.6-3.8tn, because some funds report in their own currency; as a cross-check, products listed on Xetra held EUR 2.88tn (about $3.4tn) at the end of September 2026. Tables 1 and 2 give the full figures.

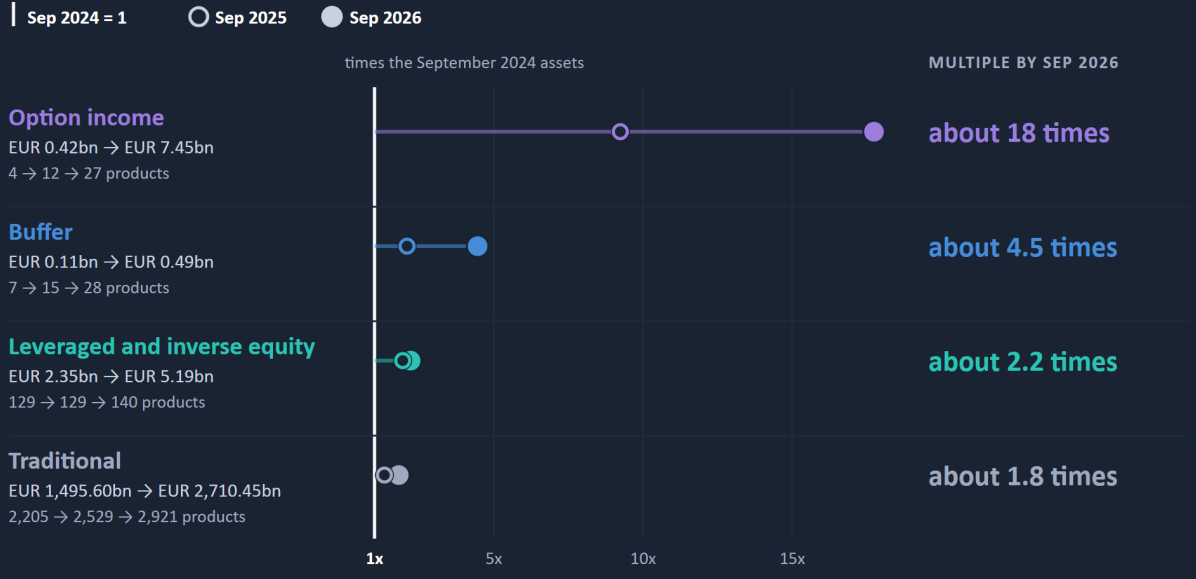
03 Europe is adopting the newer types from a small base, and option income leads: about 18 times its assets in two years on Xetra

In September 2024, four option income products were listed on Xetra, holding EUR 0.42bn. By September 2026 there were 27, holding EUR 7.45bn.

EXHIBIT 3 | EUROPE: TWO YEARS ON XETRA

Europe: option income assets about 18 times in two years. Traditional ETFs about 1.8 times.

Assets of products listed on Xetra, by type, as a multiple of their September 2024 level.



Autocallable joined the list in 2026: 6 products, EUR 0.02bn by September.

Xetra data: products listed on Xetra, one exchange, not the whole European market; total product assets in EUR at end September 2024, 2025 and 2026. Growth includes new listings (product counts at left). Dot position linear in the multiple of September 2024 assets, one scale for all types. Leveraged and inverse: equity products. 3HC research. Not investment advice.

Each newer type with a two-year history on Xetra grew faster than traditional ETFs, which grew about 1.8 times. Buffers on Xetra grew about 4.5 times, from 7 products and EUR 0.11bn to 28 and EUR 0.49bn; leveraged equity products about 2.2 times, to EUR 5.19bn. Autocallables are the newest arrival: six products holding EUR 20m in September 2026. The base is still small, against EUR 2,710.45bn in traditional ETFs, but the direction of travel matches the US (Table 3).

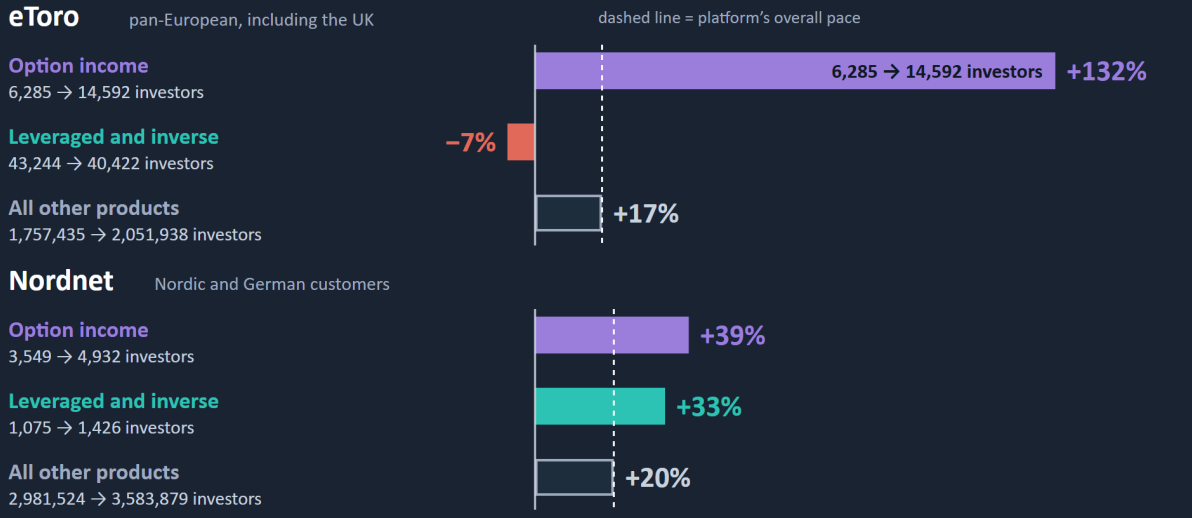
04 European investors are moving toward income: option income holders on eToro rose 132% in a year, from 6,285 to 14,592

Flows show where money goes; holder counts show how many people are making the choice. Three retail investment platforms used across Europe and the UK give that view over the year to early October 2026.

EXHIBIT 4 | WHAT EUROPEAN INVESTORS HOLD

European investors are moving toward income.

Number of retail investors holding each type on two European platforms, 12 months apart.
Each platform's growth across all its other products is the benchmark. Investors, not money.



Avanza Sweden — **15,861 investors hold option income ETFs today** (early Oct 2026, a single reading)

Platform data: holder counts, early Oct 2026 against Oct 2025; the year-ago count covers products listed then.
eToro covers European clients across countries, the UK included, and includes US-listed products they hold.
Nordnet: Nordic and German customers. Bar length true to the percentage change. 3HC research.
Not investment advice.

On eToro, investors holding option income ETFs rose from 6,285 to 14,592 (+132%; the year-ago count covers the products listed then), while the platform overall grew 17%. Leveraged holders there eased 7%, from 43,244 to 40,422. On Nordnet, option income holders rose 39% and leveraged holders 33%, both ahead of the platform's 20%. On Avanza in Sweden, 15,861 investors hold option income ETFs today. eToro's client base includes UK-based investors, so this is part of the UK picture too (Table 4).

05 The shelves are already stocked, in the UK and across Europe: option income is on 11 of 16 UK platforms

Across 154 investment platforms in 17 jurisdiction codes, investors can already buy the newer types on the platforms they use.

EXHIBIT 5 | WHAT EUROPEAN PLATFORMS CARRY

The shelves are already stocked.

Platforms carrying each type, out of the platforms in that market in our data, early November 2026.
Small figure: number of products of that type on those shelves.

MARKET	PLATFORMS	Option income		Leveraged and inverse		Buffer		Autocallable	
United Kingdom	**16**	**11 of 16**	77	**5 of 16**	405	**5 of 16**	15	**1 of 16**	2
Germany	**25**	**14 of 25**	19	**16 of 25**	130	**6 of 25**	13		
France	**22**	**2 of 22**	13	**4 of 22**	52	**1 of 22**	3		
Poland	**5**	**3 of 5**	15	**5 of 5**	149				
Sweden	**5**	**2 of 5**	23	**2 of 5**	24	**1 of 5**	12	**1 of 5**	6
Spain	**4**	**2 of 4**	25	**2 of 4**	97	**1 of 4**	3		
Italy	**3**	**3 of 3**	26	**2 of 3**	57	**2 of 3**	19	**2 of 3**	4
Switzerland	**3**	**3 of 3**	6	**1 of 3**	5	**2 of 3**	13	**1 of 3**	2
Denmark	**3**	**2 of 3**	23	**2 of 3**	22	**1 of 3**	12	**1 of 3**	6
Finland	**2**	**1 of 2**	23	**1 of 2**	19	**1 of 2**	12	**1 of 2**	6
Ireland	**2**	**2 of 2**	12	**2 of 2**	39	**2 of 2**	3		
Netherlands	**2**	**1 of 2**	12	**1 of 2**	50	**1 of 2**	3		
Pan-European	**4**	**4 of 4**	84	**4 of 4**	448	**4 of 4**	30	**2 of 4**	4

Highlighted: the United Kingdom.
Bar = share of that market's platforms.

Autocallable ETFs: on shelves in 8 markets, incl. Norway and pan-European

Platform product lists, early Nov 2026: 154 platforms across 17 codes. Also in the data: Norway 57 platforms, each newer type on 1 of them; Austria 9, Portugal 3, Estonia 1. Leveraged and inverse: all underlyings. Pan-European: platforms serving several countries. Structured notes named autocall are outside these counts. 3HC research. Not investment advice.

In the UK, option income is listed on 11 of the 16 platforms in our data, and leveraged and buffer products on 5 each. In Germany, leveraged products are on 16 of 25 platforms and option income on 14. Autocallable ETFs are on shelves in eight markets: Switzerland, Denmark, Finland, the UK, Italy, Norway, Sweden and pan-European platforms (Table 5). On the product lists of 8 UK investment platforms and the London Stock Exchange, about 1 in 8 exchange-traded products is one of the four newer types: 455 of about 3,800 (Table 6).

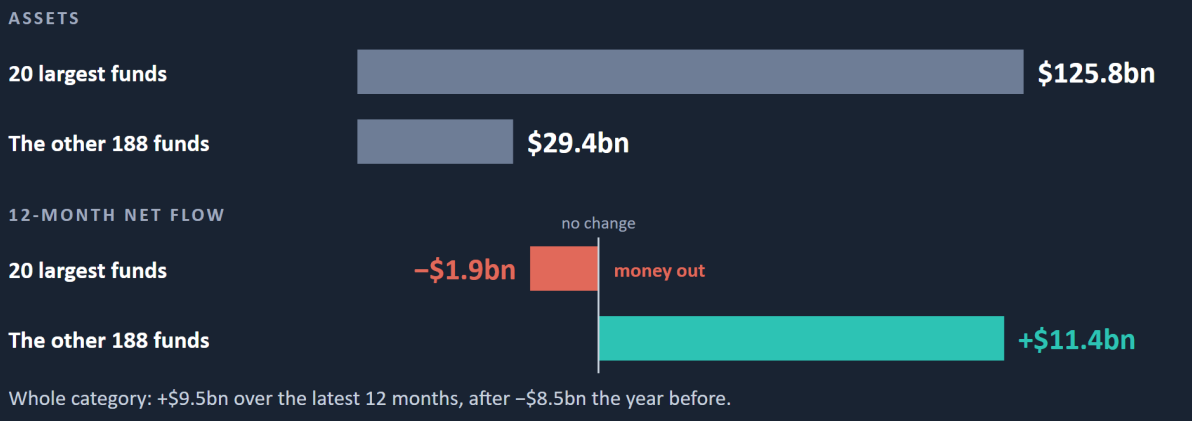
06 Inside leveraged: in the US the new money went to smaller funds; in Europe it is traded far more than held

US: the new money went to the smaller funds. The category's +$9.5bn hides two stories. The 20 largest funds, holding $125.8bn, saw net outflows of −$1.9bn over the 12 months to 31 October 2026; the other 188 funds, holding $29.4bn, took +$11.4bn.

EXHIBIT 6 | INSIDE LEVERAGED AND INVERSE

Inside leveraged and inverse, new money went to the smaller funds.

US leveraged and inverse equity ETFs: the 20 largest by assets against the other 188.



Whole category: +$9.5bn over the latest 12 months, after −$8.5bn the year before.

US-listed leveraged and inverse equity ETFs, 12 months to 31 Oct 2026; assets at 31 Oct 2026. Bar length true to value, one scale per panel. 3HC research. Not investment advice.

Our earlier paper, *Leverage is a Trade*, published about −$9.15bn for the 20 largest funds over the 12 months to 16 October 2026; on our data the same 20 funds show −$9.9bn over that window and −$2.2bn over the 12 months to 31 October 2026. Most of the difference is the 15-day shift: late October 2025 outflows dropped out and late October 2026 inflows came in, a swing of about $7.7bn in a fortnight, which is itself that paper's point: leverage is traded, not held. This paper's own 20 largest, counting equity funds alone, show −$1.9bn.

Europe: a trading tool. On Xetra, leveraged equity products traded 106% of their assets in a year, against 15% for traditional ETFs, 16% for buffer and 24% for option income products, which are bought to hold (Table 7). They are 0.18% of the assets of exchange-traded products on Xetra but 1.26% of trading, about 7 times their weight. Holder counts tell the same story from the other side: leveraged holders eased 7% on eToro and rose 33% on Nordnet. Investors come and go from a trading tool as their views change, which is what a daily-reset product is built for.

For a platform or product team, the point is where demand sits. A US shelf built around the largest leveraged funds sees money leaving; the category as a whole sees money arriving. A European shelf sees leveraged products traded actively, alongside income and buffer products bought to hold.

07 Read the label, then the clock: for three of the five types, time decides the result

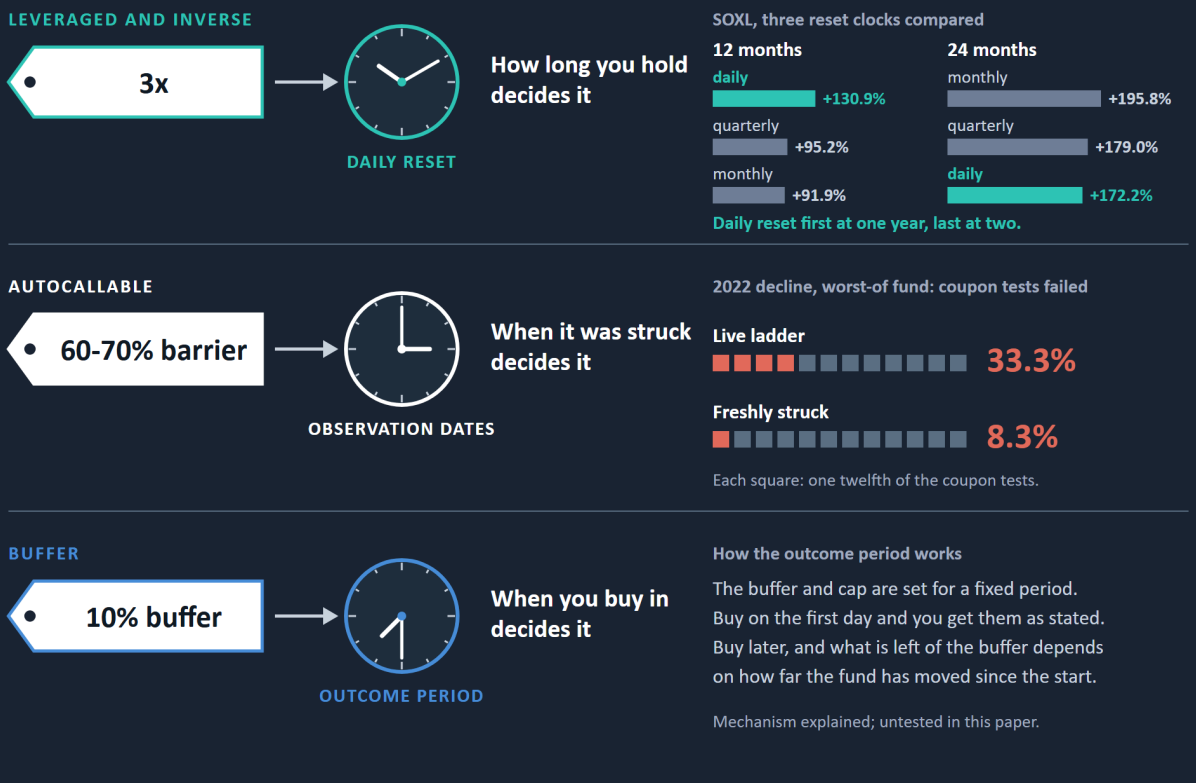
"3x", "60-70% barrier" and "10% buffer" each describe the design accurately. For leveraged, autocallable and buffer ETFs, though, a second number decides what the investor gets: a date. For traditional and option income ETFs, the market decides: where the index ends, and how far markets rise. This holds on every exchange where the products list, US, European or UK.

> **READ THE LABEL, THEN THE CLOCK**
>
> The label tells you what the product is designed to do. The clock tells you what it will do for you: the holding period for a leveraged fund, the strike dates in an autocallable ladder, and the point in the outcome period for a buffer.

EXHIBIT 7 | READ THE CLOCK

Read the label, then the clock.

Each label states a number. The clock behind it decides what the investor gets.



Leveraged: 3HC paper Leverage is a Trade (Oct 2026); modelled monthly and quarterly resets, same leverage and costs, 4.35% financing, 12 and 24 months to 16 Oct 2026. Autocallable: 3HC paper Where the Ladder Sits (Nov 2026). Not investment advice.

Leveraged: how long you hold. Because the leverage resets every day, returns over longer periods depend on the path the market takes. In *Leverage is a Trade*, the daily reset beat both a modelled monthly and a modelled quarterly reset in 10 of 16 long funds over 12 months, and in 7 of 15 over 24 months. SOXL, the leveraged semiconductor fund, came first of the three at one year (+130.9% daily, against +95.2% quarterly and +91.9% monthly) and third at two years (+172.2% daily, against +195.8% monthly and +179.0% quarterly). Same fund, same label; the holding period changed the ranking.

Autocallable: when each tranche was struck. Today's typical coupon barrier is 60-70%, a 30-40 point cushion. Each tranche is struck on its own date, so the cushion left when a shock arrives depends on where the live tranches sit. In *Where the Ladder Sits*, a worst-of fund's live ladder would have failed 33.3% of coupon tests in the 2022 decline, against 8.3% for a freshly struck ladder. Same headline barrier; the strike dates changed the outcome.

Buffer: when you buy into the outcome period. The buffer and cap are set at the start of each outcome period. An investor who buys partway through inherits the market's move since that start, so the protection and upside left can be larger or smaller than the label. Next in this series, we test the buffer clock.

08 Five types, five questions: due diligence for platforms and product teams

The table in section 01 sets out one question to ask of each product, and it applies on every shelf, US, European or UK. For the three types with a clock, the question is about a date: where the fund sits in its outcome period, where each live tranche sits against its barrier, and the holding period a leveraged fund is designed for. Cost differs too: in our earlier paper, leveraged funds charged an average fee of 0.99% a year, against 0.28% for their unlevered counterparts, which suits a short holding period.

> **IF THIS IS USEFUL**
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> If you issue, list or select these products, we can map your shelf or product against demand in each market, US, European and UK, and walk through it on a call in the coming weeks. Get in touch

09 What this does and does not show

This paper maps product types and demand in three markets: how each type is built and used, not any fund's future returns.

- **Flows are not returns.** Net flows show where money went, not how it performed.
- **Holder counts are investors, not money.** eToro clients cannot be split by country, and their holdings include US-listed products held by European clients. Year-ago counts cover the products listed then.
- **Shelf counts are availability, not holdings,** across the platforms we capture.
- **Xetra and our European fund data are different product sets.** Xetra figures are the total assets, in euros, of products listed there, and are read beside the fund data rather than added to it. Our fund data covers European exchange-traded products in part, so its buffer ($251m) and leveraged ($2.5bn) figures describe the funds we hold.
- **Xetra trading is one venue,** October 2025 to September 2026. Autocallables there are too new to measure.
- **Europe is a range** because of reporting currency, with Xetra as the cross-check.
- **Modelled resets are a theoretical comparison,** with the same leverage and costs and 4.35% financing.
- **Autocallable growth is high because the category is new:** 90.8% in the US and 111.5% in Europe mostly reflect a first year of inflows.
- **The buffer clock is described here,** and tested next in this series.
- **Data dates.** US ETF data to 31 Oct 2026; European fund flows to 31 Oct 2026; Xetra statistics to Sep 2026; retail holder counts Oct 2026; platform product lists early Nov 2026.

10 What we measured

- **US:** daily shares outstanding times net asset value for each US-listed ETF, grouped by type; assets at 31 October 2026, flows over the 12 months to that date and the 12 months before. Traditional is all US ETFs outside the four newer types.
- **Europe, flows:** monthly net flows per fund, not per share class, to 31 October 2026, for UCITS ETFs and ETPs, identified by category and name; the all-ETF total was checked fund by fund for currency errors.
- **Xetra:** products listed and their total assets in euros each September, 2024 to 2026; order-book trading October 2025 to September 2026 as a share of assets at the end of September 2026.
- **Retail holder counts:** investors holding each type on eToro, Nordnet and Avanza, early October 2026 against October 2025.
- **Platform product lists:** which of 154 investment platforms in 17 jurisdiction codes list each type, early November 2026. Structured notes with autocall features are excluded, so autocallable counts are ETFs. UK products: lists of 8 UK investment platforms and the London Stock Exchange, counted once per product.
- **Type definitions:** option income means covered-call and premium-income strategies. Buffer excludes funds-of-funds that hold other buffer ETFs, so each fund is counted once. Autocallables are counted separately from option income. Leveraged and inverse covers daily-reset equity funds, long and short.
- **Earlier papers:** figures from *Leverage is a Trade* (October 2026; 20 largest funds, 12 and 24 months to 16 October 2026) and *Where the Ladder Sits* (November 2026; two live ladders held 16 October 2026) are quoted as published.
- Source: Three Horizons Capital analysis of US ETF data, European fund flows, Xetra statistics, retail holder counts and platform product lists. Past performance is not indicative of future results. This paper is research, not investment advice, and not an offer or a recommendation to buy or sell any security.

11 The data behind the exhibits

Every figure in the exhibits, in full. Tables are numbered in the order the exhibits appear.

Table 1. US-listed ETFs by type, 12 months to 31 October 2026 (Exhibit 2)

US-LISTED ETFS	FUNDS	ASSETS	NET FLOW, LATEST 12M	NET FLOW, PRIOR 12M	GROWTH FROM NEW MONEY
Traditional (all other US ETFs)	5,048	$15.8tn	+$1.8tn	n/a	11.7%
Buffer	212	$71.3bn	+$10.5bn	+$6.1bn	14.8%
Option income	114	$198.4bn	+$58.6bn	+$54.8bn	29.5%
Autocallable	18	$6.3bn	+$5.7bn	+$358m	90.8%
Leveraged and inverse (equity)	208	$155.2bn	+$9.5bn	−$8.5bn	6.1%
Four newer types together	552	$431bn	+$84.3bn	n/a	n/a
All US ETFs	5,600	$16.2tn	+$1.9tn	+$1.4tn	n/a

11 THE DATA BEHIND THE EXHIBITS cont'd

Table 2. European ETFs and ETPs by type, fund data, 12 months to 31 October 2026 (Exhibit 2)

EUROPE: UCITS ETFS AND ETPS IN OUR FUND DATA	FUNDS	ASSETS	NET FLOW, LATEST 12M	GROWTH FROM NEW MONEY
Option income	10	$9.4bn	+$4.0bn	42.2%
Leveraged and inverse (equity)	15	$2.5bn	−$92m	−3.7%
Buffer	8	$251m	+$65m	25.9%
Autocallable	3	$78m	+$87m	111.5%
All European ETFs in our data	1,662	$3.6-3.8tn	+$495bn	n/a

Growth from new money: net flow over the latest 12 months as a share of assets at 31 October 2026. Xetra lists a wider product set (Table 3).

Table 3. Products listed on Xetra and their assets, September 2024 to September 2026 (Exhibit 3)

XETRA, PRODUCTS LISTED AND THEIR ASSETS	SEP 2024	SEP 2025	SEP 2026	TWO-YEAR MULTIPLE OF ASSETS
Option income	4, EUR 0.42bn	12, EUR 3.88bn	27, EUR 7.45bn	about 18 times
Buffer	7, EUR 0.11bn	15, EUR 0.23bn	28, EUR 0.49bn	about 4.5 times
Leveraged and inverse (equity)	129, EUR 2.35bn	129, EUR 4.57bn	140, EUR 5.19bn	about 2.2 times
Traditional	2,205, EUR 1,495.60bn	2,529, EUR 1,990.30bn	2,921, EUR 2,710.45bn	about 1.8 times

Table 4. Retail investors holding each type, October 2025 to October 2026 (Exhibit 4)

INVESTORS HOLDING, OCT 2025 TO OCT 2026	OPTION INCOME	LEVERAGED AND INVERSE	ALL OTHER PRODUCTS ON THE PLATFORM
eToro (pan-European, including the UK)	6,285 to 14,592 (+132%)	43,244 to 40,422 (−7%)	1,757,435 to 2,051,938 (+17%)
Nordnet (Nordic and German customers)	3,549 to 4,932 (+39%)	1,075 to 1,426 (+33%)	2,981,524 to 3,583,879 (+20%)
Avanza (Sweden), today	15,861		9,463,159

Year-ago counts cover the products listed then.

Table 5. Platforms listing each type, selected markets, early November 2026 (Exhibit 5)

PLATFORMS LISTING EACH TYPE	PLATFORMS	LEVERAGED	OPTION INCOME	BUFFER	AUTOCALLABLE
UK	16	5	11	5	1
Germany	25	16	14	6	
France	22	4	2	1	
Italy	3	2	3	2	2
Sweden	5	2	2	1	1
Switzerland	3	1	3	2	1
Pan-European platforms	4	4	4	4	2

Table 6. What UK investors can buy: products on 8 UK platforms and the London Stock Exchange, early November 2026

UK: WHAT INVESTORS CAN BUY	PRODUCTS
Leveraged and inverse exchange-traded products (143 on equities)	366
Option income ETFs and ETPs	72
Buffer ETFs	15
Autocallable: one UCITS fund, in two share classes, on a UK retail platform	2
All exchange-traded products on these lists	about 3,800

This table uses a stricter, checked list than the platform grid in Exhibit 5, which counts every leveraged listing on all 16 UK platforms; that is why the grid shows more UK leveraged products. UK holdings of Irish and Luxembourg funds are already counted in the European fund figures in section 02.

Table 7. Trading in a year as a share of assets, Xetra, October 2025 to September 2026 (Exhibits 1 and 6)

XETRA, OCT 2025 TO SEP 2026	PRODUCTS	TRADING IN A YEAR, % OF ASSETS
Traditional	2,921	15%
Buffer	28	16%
Option income	27	24%
Leveraged and inverse (equity)	140	106%

More research

- **Leverage is a Trade**: when the daily reset helps, and when the holding period works against it.
- **Where the Ladder Sits**: autocallable ETF ladders run through three past sell-offs.

> **IF THIS IS USEFUL**
>
> This read joins US and European flows, two years of Xetra listings, retail holder counts and 154 platform shelves on one platform. If you issue, list or select these products and want the same view of your own range, market by market, talk to us. **Get in touch**