Special Report: Astoria's 10 ETFs for 2026

Astoria's 10 ETF Themes for 2026				
Theme	**Theme Description**	**Ticker**	**Name**	**Segment**
1)	All Weather Strategy	ALLW	SPDR Bridgewater All Weather ETF	Multi-Asset/Alternatives
2)	Structured Income	CAIE	Calamos Autocallable Income ETF	Income/Options Strategies
3)	Digital Asset Exposure	BITW	Bitwise 10 Crypto Index ETF	Crypto/Digital Assets
4)	International Equity	ACWX	iShares MSCI ACWI ex U.S. ETF	International Equities
5)	Real Assets/Commodity Exposure	HARD	Simplify Commodities Strategy No K-1 ETF	Commodities
6)	Active Fixed Income	PYLD	PIMCO Multisector Bond Active Exchange-Traded Fund	Multi-Sector Fixed Income
7)	Master Limited Partnership	AMLP	Alerian MLP ETF	Energy Infrastructure/MLPs
8)	Hedged Equity Income	SPYH	NEOS S&P 500 Hedged Equity Income ETF	Income/Options Strategies
9)	Structured Income	SBAR	Simplify Barrier Income ETF	Income/Options Strategies
10)	Power Infrastructure/Energy Transition	POWR	iShares U.S. Power Infrastructure ETF	Infrastructure/Thematic Equity

Table Source: Astoria Portfolio Advisors

- At the moment, the industry is flooded with 2026 outlooks loaded with bold predictions, yet very few translate into actionable guidance. Even fewer provide transparency. Rarely do you see links to last year's forecasts so readers can evaluate the track record. Our aim is to deliver genuine thought leadership backed by actionable investment ideas. **Here are our 10 ETFs for 2025**

- Investing is ultimately about **acquiring assets below intrinsic value**, identifying **catalysts**, and **capturing favorable convexity.** The path ahead in 2026 requires more discipline, a tactical risk-managed framework, and a willingness to move beyond traditional beta.

- 2026 is unlikely to reward complacency. Instead, Astoria believes it will favor **asymmetric thinking**, attention to **structured outcomes**, **selective risk-taking,** and openness to **evolving structures** such as autocallables. Our 10 ETF ideas for 2026 are designed to reflect that philosophy.

- Our 10 ETFs for 2024 reflected a fairly bullish stance. In 2025, we intentionally scaled back our optimism. As we shift our focus toward 2026, we believe **defined-outcome solutions** should move toward the top of the playbook. Markets are exhibiting some of the **strongest bubble dynamics** we have seen in decades. Importantly, we view this period as more analogous to 1996–1998 rather than the onset of a bubble bursting (i.e., 2000). At that time, the Fed **tightened** into a bubble and today, **it is cutting**. Our mandate remains clear: we are paid to manage risk as diligently as we pursue returns. This is not the time for **unchecked bullishness**.

- Just remember, for a bubble to fully burst, something must puncture it. **Bubbles do not deflate on their own**. Investors must **sell assets** to **fund new opportunities**, **cover obligations**, or **pay down debt**. A policy shock, a disruption to the employment system, or the introduction of a wealth tax (which has historical precedent) could serve as that catalyst.

2026: A Year to Prioritize Asymmetry, Structured Income, and Alternatives

- As investors who were trained under the architect of the Greenspan Put, we cannot help but think **the Trump Put will continue to be deep with wide strikes**. No other president has hung their hat on the stock market's performance more than Trump. We argued last year that the administration *could potentially* radically transfer the legal system resulting in deregulation, creating a boom for the banking system, crypto, merger and acquisition, and the IPO market. That has largely been the case in Trump's first year and we expect that to continue in 2026.

- Trump's mantra has often emphasized **winning at all costs**. Over time, recessions are likely (though we would note that several parts of the economy appeared to experience recession-like conditions in 2025, which explains why the Fed has cut rates three times this year). Our broader concern is how portfolios navigate the **back end of the curve** as **inflation edges higher** and the **deficit is likely to widen**, particularly in an environment in which there are very few bargains in fixed income.

- Another concern is that there is **endless money flowing into passive** US large-cap ETFs, creating a **self-reinforcing feedback loop**: money goes into the same stocks, valuations distort, prices rise, and that forces even more buying. **This is reflexivity at its finest.** Notably, the very nature of stock trading and investing has **materially changed.** With active managers representing a smaller share of the market, price-sensitive capital has diminished. Passive vehicles, by design, are **inelastic buyers**. They purchase securities mechanically, regardless of valuation or fundamentals. This structural shift reduces the market's ability to absorb flows efficiently and **amplifies both momentum and valuation extremes.**

- We argued last year that Trump's pro-growth policies, tariffs, and protectionism, coupled with a Fed rate-cutting cycle, would **shift** demand curves **and re-ignite inflation, which largely occurred in 2025**. A left tail asymmetric risk is that **we shift to rate hikes next year** as the economy runs hot.

- **For these reasons, we believe structured income and defined-outcome strategies are likely to receive greater attention in 2026.** We expect the use of puts, put spreads, collars, and buffered ETFs to increase meaningfully next year. Valuations remain high, investors continue to buy assets with limited regard to fundamentals, and we are navigating what appears to be a substantial AI-driven bubble. Straightforward trades are becoming **increasingly scarce**.

2026: A Different Cycle, A Different Playbook

- **A new cycle almost always brings new leadership**. While owning certain mega-cap names remains a valid strategy, **concentration risk is now at generational highs**. Equal-weight exposures have historically outperformed during leadership transitions, and with the S&P 500 trading at roughly ~22.6 times forward earnings (well above its long-term average), investors are paying a premium for expected profits. Additionally, the index has **surged 80%** from Dec 12, 2022 to Dec 12, 2025, reflecting an extended rally that has driven prices much higher even as valuations have expanded. With that performance and valuation backdrop, **the hurdle rate for large-caps to keep running is extraordinarily high**, especially if earnings or macro sentiment falter.

- Corporate capex has surged to avoid falling behind in the AI arms race. Earnings revisions will need to move higher, productivity must ramp up, and margins will need to be sustained. Meanwhile, small-cap valuations remain at the low part of historical relative valuation ranges.

- For us, **buying low and selling high is non-negotiable**. Opportunities to do so are difficult to find in large-cap growth stocks today, but they do exist in international equities (across all market-cap ranges), US cyclicals, US mid-caps, and US small-caps. We were wrong in our 2025 outlook call to buy small-caps, but on the margin, their prospects have **improved** as we move through this rate-cutting cycle. A pro-domestic policy environment only strengthens the case for broadening equity exposure beyond the Magnificent Seven.

Incorporate Cryptos in Your Portfolio to Hedge Debasement Risk

- **Crypto is no longer a fringe asset class.** Our constructive call on Bitcoin dates back to early 2018 report (click here) when it traded around $14,600, and the asset has since become deeply institutionalized. While spot Bitcoin rallied sharply into ETF launches, the broader opportunity lies in selective exposure to the ecosystem not blindly chasing parabolic moves.

- Given their implied volatility, investors should routinely expect a 25–30% pullback in cryptos per year. Investors who lack exposure should be tactical with their entry point. The asymmetry remains, especially as supply continues its march toward the 21 million Bitcoin cap and the current administration continues to signal a pro-crypto posture. In general, **we like owning fixed supply assets in our macro portfolios**, which is why we own crypto and gold.

- We believe the winners in this next cycle extend beyond Bitcoin, which makes diversified crypto related exposures compelling. For the purposes of this report, **BITW** represents our preferred implementation as it aims to own a market-cap-weighted portfolio of the largest, investable cryptocurrencies.

Be Tactical in Fixed Income. Spreads are Tight and Inflation is Ticking Higher

- If there is an asset class on which you want to be **tactical**, we would point to fixed income. This is a space where active managers can add value by **navigating credit, interest rate, sector risk**, identifying **relative value**, **managing downside exposure**, and **capturing attractive yield opportunities in a late/early-cycle** backdrop where growth remains strong but uneven. Such strategies may provide more flexible duration and sector management, as well as broader sources of carry in a nuanced environment.

- While spreads are very narrow for traditional corporate credit and high-yield bonds, making the risk/reward less compelling, high yield can still be attractive on an absolute basis, particularly given the generally strong underlying health of many issuers. We also think the odds are that long-end rates move higher due to inflation and deficit concerns, even as the Fed cuts one or two more times, so we expect the curve to continue steepening. Additionally, we prefer mortgage-backed securities where spreads are attractive, and prepayment risk is generally lower relative to past cycles.

- Moreover, we find **all-weather approaches** that can **adapt to shifting growth** and **inflation dynamics particularly compelling**. These strategies aim to provide flexibility to pursue consistent returns across different market environments while mitigating downside risk during periods of volatility.

- One area we believe is on the cusp of significant adoption is autocallable structures. Yield demand remains exceptionally strong, and as front-end rates move lower, structured income is likely to become more relevant for both institutions and high-net-worth investors.

- Many of Astoria's team members spent years at large investment banks that issued autocallables, and we have firsthand familiarity with the global appetite for these instruments. We believe this could become one of the next major frontiers in income-based portfolio construction, particularly when paired with asymmetric risk frameworks.

Inflation/Real Assets have Lower Correlations to the S&P 500

- We entered into a world of **deglobalization**, **onshoring**, and **reshoring many years ago.** In this new environment, **we feel investors should own real assets**, commodities, and stocks in sectors such as industrials, utilities, materials, energy, real estate, etc. From the thousands of portfolios we oversee, we still see remnants of the prior decade that benefited from structurally lower real rates (i.e. technology stocks) that are present in most advisors' accounts. Our view is that **portfolios should be readjusted to reflect structurally higher real rates.**

- Inflation-sensitive stocks (i.e. real assets) have demonstrated **asymmetric risk characteristics** for the past four years. They have not gone down as much as the market and have outperformed on the way up (past performance is not indicative of future results). **This is every portfolio manager's dream scenario**.

- Real assets still trade **below** the S&P 500 valuation multiple. We believe real assets remain a compelling allocation and could benefit from higher real rates under Trump's anticipated pro-growth, tariff, and protectionist policies. Physical commodities are also attractive, particularly when paired with active managers who can navigate contango and backwardation dynamics and optimize positioning along the forward curve.

International Equities

- Investing is about **buying assets below intrinsic value**, having **a clear catalyst** for the market **to realize the asset's potential**, and then moving onto the next opportunity.

- Aside from valuation, non-US equities have not had a strong catalyst for many years until now. The weakening dollar is a **powerful regime shift** that historically precedes extended periods of international outperformance. When the dollar rolls over, foreign earnings translate higher, valuations re-rate, and capital rotates aggressively into the very markets investors have ignored for years. If this pattern repeats, the long-standing valuation gap between US and non-US equities **could finally start to compress in a meaningful way**. At the same time, inflation is generally lower in many developed and emerging markets, and central banks in these regions have already cut rates more aggressively than the Fed, providing a potential catalyst for further equity gains.

Background Information on 10 ETFs for 2026

- Our team has been producing a dedicated year-ahead ETF outlook for over a decade. We were **the first group to publish** a dedicated ETF outlook with actionable ideas (i.e. a top 10 ETF list), and we like the fact that our peers are starting to throw their hats into the ring. We try not to repeat our ETFs from one year to the next, as our goal is to communicate *unique* and *actionable* thematic ideas for the investment community.

- Astoria runs various ETF managed portfolios with different risk tolerance bands and with different holdings. The commentary in this report is generally centered around our Dynamic and Risk Managed ETF Portfolios. We offer strategic ETF Portfolios with lower tracking error vs. their benchmark in which case will have different holdings than what is included in this report.

- The ETFs highlighted in this report are solutions that Astoria finds attractive on a per unit of risk basis. However, this list is not meant to be an asset allocation strategy, a trading idea, or an ETF managed portfolio. As such, this list does not constitute a recommendation of any ETF. There are other ETFs that Astoria currently owns which are not highlighted in this report. Contact us for a list of all of Astoria's ETF holdings.

- Any ETF holdings discussed are for illustrative purposes only and are subject to change at any time. Readers are welcome to follow Astoria's research, blogs, and social media updates to see how our portfolios may shift throughout the year. Refer to www.astoriaadvisors.com or @AstoriaAdvisors on Twitter.

- Past performance is not indicative of future results. Investors should understand that Astoria's 10 ETF Themes for 2025 are not indicative of how Astoria manages money or risk for its investors. Note that Astoria shifts portfolios depending on market conditions, risk tolerance bands, and risk budgeting. As of the time of this writing, Astoria held positions in ALLW, BITW, ACWX, PYLD, AMLP, and SPYH on behalf of its clients.

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