

Monthly Airlines Market Report

November 2022

HANetf & U.S. Global Investors

U.S. Global Jets UCITS ETF

JETS

65bps

IE00BN76Y761

Product Inception Date: 15/06/21

For Professional Clients Only. Capital at risk.

All data as of 31/10/2022

This report was written by, and is the opinion of, the JETS index providers U.S. Global Investors.

Key Takeaways

While Americans see an economic recession looming, writes Destination Analysts, many still view travel as “essential” and remain committed to spending on travel even in an economic downturn. According to the State of American Traveller Survey, over a quarter of Americans anticipate taking a trip in either October (26.6%), November (24.8%) and/or December (28.4%).¹

American Airlines topped earnings estimates and reported record revenue in the third quarter, reports Investor’s Business Daily (IBD). The report follows Delta Air Lines’ upbeat forecasts and record revenue earlier in the month, as well as Alaska Air Group which also beat earnings views this month.²

United Airlines earned \$942 million in the third quarter as vacationers paid higher fares and packed planes over the summer, the company reports. The airline offered an upbeat forecast of late-year earnings as well. The CEO of United said concerns about inflation and the economy does not seem to be discouraging people from buying airline tickets.³

Macro Outlook

The U.S. Transportation Department this month proposed requiring airlines disclose fees for baggage, ticket changes and family seating the first time an airfare is displayed, reports Reuters. This is the latest in a series of rules the Biden administration has proposed to boost airline consumer protections.⁴

Japan began accepting vaccinated visitors from 68 countries without visas at the start of October, reports Bloomberg, ending almost three years of tighter border controls that kept tourists out of the island nation. First-time and repeat visitors alike streamed out of Tokyo’s Haneda airport on the first day of the reopening.⁵

Covid Zero border controls are leaving China isolated, globally, reports Bloomberg, and now Chinese officials are debating whether to reduce the amount of time people coming into the country must spend in mandatory

¹ <https://www.destinationanalysts.com/blog-the-state-of-the-american-traveler-in-october-2022/>

² <https://www.investors.com/news/airline-stocks-united-and-american-report-earnings-amid-industry-optimism/>

³ <https://apnews.com/article/earnings-077ae344a38cfca6043631d54830f9d8>

⁴ <https://www.reuters.com/business/aerospace-defense/us-propose-requiring-new-airline-fee-disclosure-rules-2022-09-26/>

⁵ https://www.bloomberg.com/news/articles/2022-10-10/japan-reopens-borders-to-tourists-betting-on-tourism-recovery-boom?utm_content=pursuits&utm_campaign=socialflow-organic&cmpid%3D=socialflow-twitter-pursuits&utm_source=twitter&utm_medium=social&sref=1pPyLRr7

quarantine. Although airline shares may get a short-term boost on this type of news, more meaningful equity moves would hinge on the country dropping Covid restrictions altogether, the article continues.⁶

All performance figures are showing net data. Please remember that past performance is not indicative of future performance, and when you invest in ETFs, your capital is at risk.

U.S. Global Jets UCITS ETF Performance Table

As of 31.10.2022

	1M	3M	6M	YTD	12M	SI
U.S. Global Jets UCITS ETF (Acc)	17.86%	0.17%	-17.58%	-16.04%	-19.90%	-31.07%
<i>U.S. Global Jets Index</i>	<i>17.40%</i>	<i>-0.16%</i>	<i>-17.67%</i>	<i>-15.86%</i>	<i>-19.68%</i>	<i>-30.70%</i>

Please note that all performance figures are showing net data. Source: Bloomberg / HANetf. Data as of 31/10/2022. Performance before inception is based on back tested data. Back tested data does not represent actual performance and should not be interpreted as an indication of actual or future performance. Past performance for the index is in USD. Past performance is not an indicator for future results and should not be the sole factor of consideration when selecting a product. Investors should read the prospectus of the Issuer ("Prospectus") before investing and should refer to the section of the Prospectus entitled 'Risk Factors' for further details of risks associated with an investment in this product. When you invest in ETFs and ETCs, your capital is at risk.

Product Details

The U.S. Global Jets UCITS ETF is designed to capture global companies' performance in the **commercial airline, aircraft manufacturing, and airport & terminal services industries**.

The index that the ETF is based on uses a **smart-beta 2.0** strategy to determine the most efficient airline carriers in the world and provides diversification through exposure to international airline companies.

Unlike investing in individual commercial airline names alone, this ETF will also offer exposure to the industries that support them, including aircraft manufacturers, airports, and terminal service industries.

Pre-COVID, the airline industry was booming as carriers streamlined operations, improved their balance sheets, and managed to grow profits by introducing more ancillary (non-ticket) fees. The coronavirus disrupted the industry tremendously, but as vaccinations start ramping up around the world and the economy opens back up, we are confident that **the airline industry will recover**. Leisure travel has already begun to recover, and we expect business travel to do the same.

Visit the [JETS Fund Page](#) for more information.

⁶ <https://www.bloomberg.com/news/articles/2022-10-20/china-is-debating-a-cut-to-covid-quarantine-for-inbound-travelers?sref=1pPyLRr7>

Exchange	Ticker	RIC	SEDOL	ISIN	Valoren	WKN	CCY	Listing Date
LSE	JETS LN	JETS.L	BMTQZX0	IE00BN76Y761	-	-	USD	17/06/2021
LSE	JETP LN	JETPL	BMTR005	IE00BN76Y761	-	-	GBP	17/06/2021
Borsa Italiana	JETS IM	JETS.MI	BL6KDX4	IE00BN76Y761	-	-	EUR	30/06/2021
Xetra	JETS GY	JETSG.DE	BL6KDY5	IE00BN76Y761	-	A3CPGH	EUR	28/06/2021
SIX	JETS SW	JETS.S	BMX8D94	IE00BN76Y761	111372919	-	CHF	01/03/2022
Euronext Paris	JETZ FP	JETS.PA	BPG9NC8	IE00BN76Y761			EUR	07/03/2022

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 - the carbon securities ETCs under the terms in the base prospectus approved by the UK Financial Conduct Authority ("FCA") and the relevant final terms of the carbon securities (together, "FCA Carbon ETC Prospectus"); and
 - the carbon securities ETCs under the terms in the base prospectus approved by the Central Bank of Ireland ("CBI") and the final terms of the carbon securities (together, "CBI Carbon ETC Prospectus").

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The ETF Prospectus, Metals ETC Prospectus, FCA Carbon ETC Prospectus, CBI Carbon ETC Prospectus and Cryptocurrency Prospectus can all be downloaded from www.hanetf.com.

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