

Monthly Airlines Market Report

January 2023

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 31/12/2022

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

Key Takeaways

United Airlines, a top holding in the JETS ETF, was upgraded at Morgan Stanley to “overweight” rating from “Equal Weight” rating, reports Seeking Alpha. Key catalysts seen for UAL in 2023 are the carrier leveraging to international recovery, the new CASMxF trajectory with the pilot contract, and a positive fleet renewal path exiting 2023.

Airline passengers face higher ticket prices as the industry moves toward its target of reducing emissions to net zero by 2050, the head of global trade association said in early December. Willie Walsh called for swifter action in Europe to drive up scarce production of greener Sustainable Aviation Fuel, reports Reuters.

Delta Air Lines says the travel boom isn't over, reports CNBC. The airline expects its adjusted earnings to nearly double to as much as \$6 per share next year, above analysts' estimates. It forecast a 15% to 20% jump in revenue in 2023, which is expected to bring in roughly \$45.5 billion.

Macro Outlook

Companies across the U.S., including several start-ups, are developing electric air taxis that aim to take cars off the road and put people in the sky, reports CNBC. Commercial airlines, specifically, are investing in this type of technology to make trips to and from the airport shorter and faster for consumers.

The International Air Transport Association (IATA) expects a return to profitability for the global airline industry in 2023 as airlines continue to cut losses stemming from the effects of the COVID-19 pandemic to their business in 2022.

JetBlue Airways and Allegiant Travel were downgraded to “hold-equivalent” ratings at Cowen, reports Seeking Alpha, amid consolidation and cost concerns at the carriers. For JetBlue, equity analyst Helene Becker dimmed her view of the carrier amid uncertainty about its merger with Spirit Airlines. The merger is “likely to be a distraction” in 2023 as the airline grapples with a difficult macroeconomic environment.

All performance figures are showing net data. Sources available upon request. 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 31.12.2022

	1M	3M	6M	YTD	12M	SI
U.S. Global Jets UCITS ETF (Acc)	-8.83%	13.72%	3.87%	-18.99%	-18.99%	-33.50%
<i>U.S. Global Jets Index</i>	<i>-8.85%</i>	<i>13.45%</i>	<i>3.74%</i>	<i>-18.69%</i>	<i>-18.69%</i>	<i>-33.03%</i>

Please note that all performance figures are showing net data. Source: Bloomberg / HANetf. Data as of 31/12/2022. 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.

Exchange	Ticker	RIC	SEDOL	ISIN	Valoren	WKN	CCY	Listing Date
LSE	JETS LN	JETS.L	BMTQZX0	IE00BN76Y761	-	-	USD	17/06/2021
LSE	JETP LN	JETP.L	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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 - ii. 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
 - iii. 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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