

Monthly Airlines Market Report

February 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 31/01/2023

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

Key Takeaways

Air passenger recovery continued in November 2022, according to the IATA's January report, with global traffic now at 75.3% of November 2019 levels. Unfortunately, reactions to China's reopening of international travel indicate that some governments are still playing science politics when it comes to Covid and travel.

United Airlines Holdings, a top holding in the JETS ETF, beat expectations for fourth quarter results on the week of January 17. The airline said it expects revenue to climb 50% in the first three months of 2023, from the same time last year on travel demand and higher ticket prices, reports Barron's.

In early January, the Association of Asia Pacific Airlines (AAPA) reported that 13.4 million international passengers were carried by Asian airlines in November 2022, a phenomenal 663% increase from the same month a year earlier. Based on revenue passenger kilometres (RPKs), demand rose nearly 500% in the 12-month period through the end of November.

Macro Outlook

Major airlines are upping their offerings in the new year, and that includes Delta Air Lines. The carrier will begin offering travellers free WiFi starting February 1, according to CEO Ed Bastian. The plan to introduce free internet service comes as airlines compete for customers in the travel rebound, reports CNBC.

In an article published January 18, Zacks Investment Research outlined six reasons airlines could take flight in 2023. These include: 1) United Air unveiling massive guidance, 2) an improving technical picture, 3) analysts are bullish, 4) air traffic data, 5) strong industry rankings and 6) Boeing is a bullish barometer.

Southwest Airlines (a top holding in JETS) announced January 23 that the company came to a tentative agreement with the Transport Workers Local Union 550 for the airlines' Dispatch Employees. The agreement covers Southwest's more than 450 flight dispatchers, assistant dispatchers, flight superintendents, dispatch specialists and dispatch ATC specialists.

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.

Airlines ETF Performance

As of 31.01.2023

	1M	3M	6M	YTD	12M	SI
U.S. Global Jets UCITS ETF (Acc)	18.27%	14.12%	14.31%	18.27%	-4.66%	-21.34%
<i>U.S. Global Jets Index</i>	<i>18.34%</i>	<i>14.36%</i>	<i>14.18%</i>	<i>18.34%</i>	<i>-4.45%</i>	<i>-20.75%</i>

Please note that all performance figures are showing net data. Source: Bloomberg / HANetf. Data as of 31/01/2023. 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	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 content in this document is issued by the relevant Issuer.

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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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