

Monthly Airlines Market Report

March 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 28/02/2023

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

Key Takeaways

As outlined by Zacks Investment Research, there are five reasons that tough times for airlines could finally be over as we continue through 2023. These include: 1) a return to profitability, 2) rising EPS estimates, 3) oil is showing signs of lagging, 4) recovery to pre-pandemic levels and 5) a drastically improving technical picture.

Despite macroeconomic challenges that the global economy faced in 2022, air passenger traffic recovery remained on track with industry RPKs growing 64.5% year-over-year for the full year compared with 2021, writes IATA. Domestic and international RPKs grew 10.9% and 152.7% YoY, respectively.

American Airlines (a top holding in the JETS ETF), said this month that it proposed a private offering of \$750 million in senior secured debt due in 2028, reports MarketWatch. The carrier plans to use the proceeds from the offering to repay some term loans outstanding under the credit facility established in 2015.

Macro Outlook

Many airlines will be unable to meet looming U.S. deadlines to retrofit airplane altimeters to ensure they are not susceptible to 5G wireless interference, reports Reuters, and warned by the world's biggest airline trade body authorities. This could impact the summer international travel season.

A Bloomberg gauge of 29 airlines from around the world, the Bloomberg World Airline Index, has climbed over 25% since the end of September, reports the news outlet. The reopening of China, the largest outbound travel market before the pandemic, should drive a fresh traffic rebound in and out of favoured destinations like the US, Japan and Singapore.

In late February, United Airlines launched a more than \$100 million investment fund to support start-ups focused on the research and production of sustainable aviation fuel (SAF), reports Reuters. The global aviation industry is under pressure to reduce carbon emissions and find ways to meet the 2050 net-zero emissions target set by the International Air Transport Association (IATA) in 2021.

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 28.02.2023

	1M	3M	6M	YTD	12M	SI
U.S. Global Jets UCITS ETF (Acc)	-2.24%	5.41%	14.81%	15.62%	-7.90%	-23.11%
<i>U.S. Global Jets Index</i>	<i>-2.26%</i>	<i>5.44%</i>	<i>14.66%</i>	<i>15.67%</i>	<i>-7.72%</i>	<i>-22.54%</i>

Please note that all performance figures are showing net data. Source: Bloomberg / HANetf. Data as of 28/02/2023. 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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 - 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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