

Monthly Airlines Market Report

April 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 31/03/2023

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

Key Takeaways

Air travel demand is off to a healthy start in 2023, according to the IATA. Primary contributors to this include: 1) rapid removal of Covid restrictions in China, and 2) economic and geopolitical uncertainties are not dampening demand for travel.

London's Heathrow Airport has been told to cut airline charges by around 20% per passenger next year, after the UK's Civil Aviation Authority said that higher prices were not justified amid a rebound in the number of travellers, reports Bloomberg. Heathrow and the airport's biggest airlines have tussled over charges, which are among the highest in the world.

The strong air traffic recovery in 2022 did not come without its challenges, reports the IATA. Most notably, in Europe there were significant delays and capacity constraints at key airports. According to Eurocontrol, there was a 33% increase in arrival delays compared with 2019, reaching 16.9 minutes per flight on average, but as IATA explains – there are potential solutions.

Macro Outlook

“Aviation is investible again,” says Jun Bei Liu, a portfolio manager at Sydney, Australia-based advisory firm Tribeca Investment Partners. Speaking to Bloomberg last month, Jun Bei said she believes Asian airlines “are going to go through the roof.”

The United States Justice Department is suing to stop JetBlue's proposed \$3.8 billion deal to buy discount carrier Spirit Airlines, writes CNN, the first time in over 20 years that the government has sought to block a U.S. airline merger. The lawsuit, announced in early March, was no surprise – the Biden administration argues there needs to be greater competition between businesses, especially in the airline industry.

Atlanta-based Delta Air Lines plans this year to operate its largest trans-Atlantic flight schedule on record, with expectations for a strong rebound three years after the COVID-19 pandemic first decimated international travel, reports the Atlantic Journal. Trans-Atlantic routes are among the most-lucrative and most-travelled international flights from the U.S., and Delta has said international service will be a key factor in what it expects to be a year of strong growth.

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 31.03.2023

	1M	3M	6M	YTD	12M	SI
U.S. Global Jets UCITS ETF	-5.69%	9.04%	24.00%	9.04%	-14.40%	-27.48%
<i>U.S. Global Jets Index</i>	<i>-5.60%</i>	<i>9.19%</i>	<i>23.88%</i>	<i>9.19%</i>	<i>-14.19%</i>	<i>-26.88%</i>

Please note that all performance figures are showing net data. Source: Bloomberg / HANetf. Data as of 31/03/2023. 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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