

Monthly Airlines Market Report

May 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 30/04/2023

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

Key Takeaways

United Airlines reported a March quarter adjusted loss per share of \$0.63, ahead of FactSet consensus of -\$0.73. The beat was primarily driven by better operating and non-operating costs as revenue was in line with the company's latest guidance. Looking forward, United reiterated 2023 earnings per share (EPS) guidance of \$10 to \$12 (versus consensus of \$8.56).

Global baggage fees jumped to \$29 billion in 2023, a 39% increase from the previous year and the highest amount since before the pandemic. Baggage fees, which contributed to total airline ancillary revenue of \$102.8 billion, consist of checked baggage in the aircraft hold, added fees for heavy and extra-large bags and larger carry-on bags.

U.S. travel agency air ticket sales hit a record of \$9.6 billion in March 2023, a 22% increase year-over-year, a reflection of not only higher airfare but also travel demand. Month-over-month, total sales increased 15%, while total passenger trips rose also rose 15%.

Macro Outlook

EasyJet says it continues to see "strong levels" of demand and "booking momentum" ahead of the busy summer travel season. The low-cost carrier, which expects to return to profitability this year, reported increasing total revenue per seat to £66.46 in the six months ended March 31, a 40% jump from the same period in 2023. Ancillary revenue rose 34% to £20.22 per seat year-over-year.

New data from travel analytics firm ForwardKeys shows that China outbound travel will accelerate through the second quarter as seat capacity increases. In March 2023, seat capacity in China stood at 22% of 2019 levels, and by the end of the year, it's projected to rise to 75%.

United Airlines announced the expansion of its summer schedule by 25% compared to last year to meet the increasing demand for international travel, now flying to 114 different international cities this summer. This includes 25 new routes including new service to Malaga, Dubai and Stockholm and expanded service to Australia.

All performance figures are showing net data. Sources available upon request. Past performance is not indicative of future performance and when you invest in ETFs, your capital is at risk.

Airlines ETF Performance

As of 30.04.2023

	1M	3M	6M	YTD	12M	SI
U.S. Global Jets UCITS ETF	-3.03%	-10.60%	2.02%	5.74%	-15.92%	-29.68%
<i>U.S. Global Jets Index</i>	<i>-2.99%</i>	<i>-10.50%</i>	<i>2.36%</i>	<i>5.92%</i>	<i>-15.73%</i>	<i>-29.07%</i>

Please note that all performance figures are showing net data. Source: Bloomberg / HANetf. Data as of 30/04/2023. 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”).Investors should read the latest versions of the relevant ETC prospectus before investing and should refer to the section of the relevant ETC prospectus entitled ‘Risk Factors’ for further details of risks associated with an investment in the ETCs. Any decision to invest should be based on the information contained in the relevant 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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