

Monthly Airlines Market Report

June 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 31/05/2023

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

Airlines ETF: Key Takeaways

If current forecasts are accurate, this summer could mark a historic high in airline passenger volumes. The industry group Airlines for America (A4A) predicts that approximately 257 million people will travel on U.S. commercial airlines from June 1 to August 31, representing a 9.5% increase from the previous summer. That would also set a new record, as volumes are projected to surpass the summer 2019 levels by around 2 million passengers.

The International Air Transport Association (IATA) raised its global airline profit outlook to \$9.8 billion by year-end, more than double the previous forecast of \$4.7 billion. The group expects around 4.35 billion people to fly commercial in 2023, or about 96% of 2019 levels.

Boeing received an order from Ryanair for up to 300 737 MAX aircraft. The order includes firm orders for 150 737 MAX-10 aircraft, with the option to purchase an additional 150 aircraft. The list price valuation would exceed \$20 billion for the 150 firm orders, and potentially reach over \$40 billion if all options are exercised by Ryanair. Deliveries of the MAX aircraft are expected to take place after 2027. Boeing has recently experienced increased order activity, with significant orders from Saudi Arabian Airlines, Riyadh Air, Air India and now Ryanair.

Macro Outlook

A possible headwind to continued economic growth could be the depressed purchasing manager's indexes (PMIs). In May, the Eurozone Manufacturing PMI fell to 44.8 from 45.8 in April, the steepest contraction in three years. The U.S. Manufacturing PMI also shrank in May, sliding to 48.4 from a neutral 50.2 in April. The JPMorgan Global Manufacturing PMI recorded 49.6, just below the key threshold and little changed from March and April.

Travel prices remain inflated post-pandemic. According to the NerdWallet Travel Price Index, which uses data from the U.S. Bureau of Labour Statistics, airfare is up 18% compared to April 2019.

The Allied Pilots Association, which represents over 15,000 pilots at American Airlines, stated that its negotiating committee had reached a preliminary agreement with the management at American Airlines on a new labour contract. This tentative agreement would result in a 21% wage increase for pilots in 2023, followed by a 5% raise in the subsequent year, and annual raises of 4% for the following two years. The agreement also includes pay and profit sharing that "match the top of the industry."

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 31.05.2023

	1M	3M	6M	YTD	12M	SI
U.S. Global Jets UCITS ETF	0.98%	-7.65%	-2.66%	6.77%	-10.95%	-28.99%
<i>U.S. Global Jets Index</i>	<i>1.05%</i>	<i>-7.47%</i>	<i>-2.43%</i>	<i>7.04%</i>	<i>-10.76%</i>	<i>-28.32%</i>

Please note that all performance figures are showing net data. Source: Bloomberg / HANetf. Data as of 31/05/2023. 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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