

# Monthly Airlines Market Report

August 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 31/07/2023

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

## Airlines ETF Key Takeaways

Business travel is back and buoyant, according to new data from the Advantage Travel Partnership's Global Business Travel Review, with the business community booking more trips and for longer periods. The report, which analysed over 14 million travel transactions dating back to 2019, highlights that travellers are booking business trips for longer, with the average trip duration increasing 1.1 days in 2023 to date to an all-time high of 8.2 days.

Airline companies have seen leisure and corporate demand hold better than anticipated and have benefited from some moderation in jet fuel costs, writes Seeking Alpha. While travel hit record levels for the busy 4th of July holiday weekend, delays and cancellations have created some negative headlines and passenger dissatisfaction. Those developments could increase the focus on booking trends, which have been mixed over the last month.

American Airlines joined its peers in reporting strong earnings for the second quarter, reports Seeking Alpha. Prior to American reporting, Delta said it generated record operating revenue of \$14.6 billion in the second quarter.

## Macro Outlook

Airlines' cargo revenue is slumping. That's a sign of good news for travel recovery, reports CNBC. Delta, United and American Airlines this month each reported year-over-year declines of about 40% in their second-quarter cargo revenue. Meanwhile, airlines are reporting record revenue, if not earnings, thanks to the rebound in travel demand. That means the business impact of cargo, which once helped prop up airlines' revenue during the Covid pandemic travel plunge, has faded.

United Airlines is leveraging the ongoing international travel boom, as evidenced by its plans to offer direct flights from the U.S. to Manila in the Philippines, starting in October. This expansion into Asia is part of a broader strategy that seeks to leverage the upsurge in international travel bookings after the pandemic slump.

Last Thursday, in a bipartisan vote, the House of Representatives approved the Federal Aviation Administration (FAA) reauthorization bill, which, among other things, authorizes more than \$100 billion for airline operations, equipment and airports over five years. It also (controversially) raises the pilot retirement age from 65 to 67.

**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 31.07.2023

	1M	3M	6M	YTD	12M	2Y	SI
<b>U.S. Global Jets UCITS ETF</b>	-0.14%	18.35%	5.81%	25.14%	20.95%	-6.19%	-16.78%
<i>U.S. Global Jets Index</i>	-0.07%	18.70%	6.24%	25.73%	21.31%	-5.09%	-15.80%

Please note that all performance figures are showing net data. Source: Bloomberg / HANetf. Data as of 31/07/2023. 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 now borders have reopened 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
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