

Monthly Airlines Market Report

September 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 31/08/2023

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

Airlines ETF Key Takeaways

TD Asset Management recently highlighted that travel demand has hit pre-pandemic levels and international demand is outpacing domestic travel, as airlines look to capitalize on the growing travel trend. Seeking Alpha, in mid-August, gave an update on the “top performing airline stocks” so far in 2023, and coming in on top as of the date of publication included: 3) Gol Linhas Aereas Inteligentes (+59%), 2) Azul (+99%), and 1) SkyWest Inc. (+155%).

Thanks to the Bipartisan Infrastructure Law, signed in 2021, many U.S. airports are being awarded tens of millions of dollars to upgrade terminal buildings and improve energy efficiency. Among the biggest recipients of federal money is the Dallas-Fort Worth International Airport (DFW), which is getting \$25 million to replace an aging HVAC system, install dimmable smart glass in terminal windows and reduce nitrogen oxide (NOx) emissions.

The devastating wildfires on the island of Maui have claimed hundreds of lives this month, and analysts are estimating the damage from the wildfires will be costly – between \$8 and \$10 billion dollars. As the community works together and officials look into the emergency response, Hawaiian Airlines is doing its part to help those trying to leave the island. The airline is offering \$19 flights from Maui to Honolulu for urgent travel out of the island.

Macro Outlook

Overall, earnings season has been upbeat for the airline industry so far this year, with most key U.S. airlines beating on both lines, reports Zacks Research. Although a spike in oil prices may weigh on funds that hold top airline names, as fuel forms a major cost for airlines, Zacks’ analysts believe that investors should not overlook better-than-expected U.S. economic growth and a rebound in international travel. Airlines are also mindful of their cost structure, which accounts for likely higher fuel charges going forward.

Worldwide spending on business travel will top pre-pandemic levels next year and expand to more than \$1.78 trillion in 2027, reports Bloomberg and according to the Global Business Travel Association’s annual outlook. Spending has accelerated faster than the group had forecast last year on more stable global economic conditions and as recessions failed to materialize, according to the report released this month.

The U.S. is staring at a daunting projection: a 158% increase in passenger traffic by 2040 compared to 2019 levels, according to Airports Council International (ACI). This massive influx demands advanced infrastructure to accommodate passengers, ensure seamless operations, stimulate competition, and offer world-class customer experiences.

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 31.08.2023

	1M	3M	6M	YTD	12M	2Y	SI
U.S. Global Jets UCITS ETF	-10.22%	5.23%	-2.83%	12.35%	11.57%	-16.12%	-25.28%
<i>U.S. Global Jets Index</i>	<i>-10.14%</i>	<i>5.56%</i>	<i>-2.32%</i>	<i>12.99%</i>	<i>12.00%</i>	<i>-15.12%</i>	<i>-24.34%</i>

Please note that all performance figures are showing net data. Source: Bloomberg / HANetf. Data as of 31/08/2023. 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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