



JETS

A Smart Beta ETF
from U.S. Global Investors



ABOUT U.S. GLOBAL ETFS

Investment adviser to the U.S. Global ETFs, U.S. Global Investors, Inc. is an innovative investment manager with vast experience in global markets and specialized sectors.

Founded as an investment club, the company became a registered investment adviser in 1968 and has a longstanding history of global investing and launching first-of-their kind investment products. U.S. Global Investors, Inc. is well known for expertise in gold and precious metals, natural resources and emerging markets.

Since 1989, U.S. Global Investors, Inc. has been led by CEO Frank Holmes, who purchased a controlling interest in the company that same year. U.S. Global Investors, Inc. is a publicly traded company (NASDAQ symbol: GROW) headquartered in San Antonio, Texas.



U.S. GLOBAL JETS ETF

The U.S. Global Jets ETF (NYSE Arca: JETS), a smart beta ETF, tracks the U.S. Global Jets Index, which is designed to capture the performance of global companies in the commercial airline, aircraft manufacturing, and airport & terminal services industries.

Why consider the JETS ETF?

- ✈ The airline industry is experiencing a renaissance. Thanks to wide-ranging structural changes in the airline industry, both domestic and international airlines are currently enjoying record success, seeing strong growth in profits as well as demand.
- ✈ The industry is benefiting from changes in a variety of factors. Airlines have undoubtedly benefited from falling fuel prices—airlines' single greatest operating expense—but airline stocks were on the upswing more than two years before oil prices began to plummet. Other important factors are also at work, including free cash flow, consolidation, ancillary revenue, and greater efficiencies, which have enabled airlines to remain profitable in a highly competitive industry.
- ✈ The JETS ETF invests globally. The global component of the portfolio provides exposure to some of the fastest-growing middle classes in the world, and to some of the most profitable foreign airline companies.



FUND DETAILS

Ticker: JETS

CUSIP: 26922A842

Intraday NAV: JETS.IV

Expense Ratio: 0.60%

Inception Date: 4/30/2015

Number of Holdings: 34

Stock Exchange: NYSE Arca

Investing involves risk, including the possible loss of principal. Shares of any ETF are bought and sold at market price (not NAV), may trade at a discount or premium to NAV and are not individually redeemed from the fund. Brokerage commissions will reduce returns. Because the fund concentrates its investments in specific industries, the fund may be subject to greater risks and fluctuations than a portfolio representing a broader range of industries. Airline Companies may be adversely affected by a downturn in economic conditions that can result in decreased demand for air travel and may also be significantly affected by changes in fuel prices, labor relations and insurance costs. The fund is non-diversified, meaning it may concentrate more of its assets in a smaller number of issuers than a diversified fund. The fund invests in foreign securities which involve greater volatility and political, economic and currency risks and differences in accounting methods. These risks are greater for investments in emerging markets. The fund may invest in the securities of smaller-capitalization companies, which may be more volatile than funds that invest in larger, more established companies. The performance of the fund may diverge from that of the index. Because the fund may employ a representative sampling strategy and may also invest in securities that are not included in the index, the fund may experience tracking error to a greater extent than a fund that seeks to replicate an index. The fund is not actively managed and may be affected by a general decline in market segments related to the index.



EVERY DAY
THERE ARE APPROXIMATELY
102,000 FLIGHTS
AROUND THE WORLD

Source: Air Transport Action Group 2014, U.S. Global Investors



BY 2026
IT IS FORECAST THAT
AVIATION
WILL CONTRIBUTE
\$1 TRILLION
TO WORLD GDP

GDP is Gross Domestic Product. **Source:** Air Transport Action Group, April 2014, U.S. Global Investors



COMMERCIAL
AVIATION
REPRESENTS
8.4% OF
ALL JOBS
IN THE U.S.

Source: Airlines.org, Federal Aviation Administration (FAA) 2012, U.S. Global Investors

An American Airlines airplane is shown in flight, banking to the right. The aircraft is white with a red and blue stripe running along the fuselage. The word "American" is written in red on the side of the fuselage. The tail features the "AA" logo in red and blue, with a small American flag above it. The background shows a blue sky and a coastal landscape with a sandy beach and ocean waves.

2 MILLION
PEOPLE FLY IN THE U.S.
EVERY DAY

Average Daily Number of Passenger Enplanements, 2015.

Source: Bureau of Transportation Statistics, U.S. Global Investors

U.S. GLOBAL JETS INDEX

INDUSTRY DIVERSIFICATION



Airlines

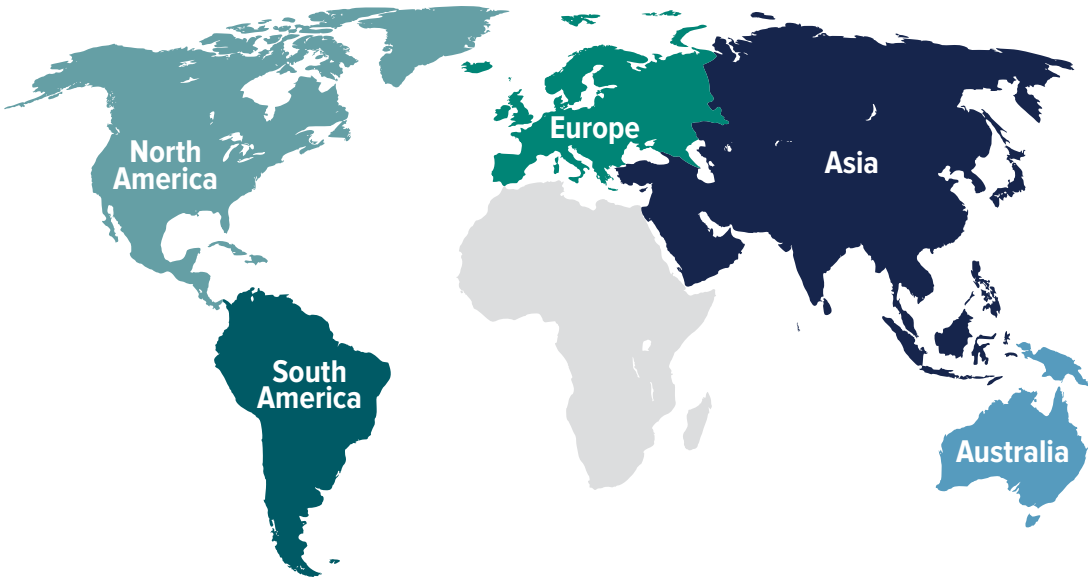


Aircraft Manufacturers



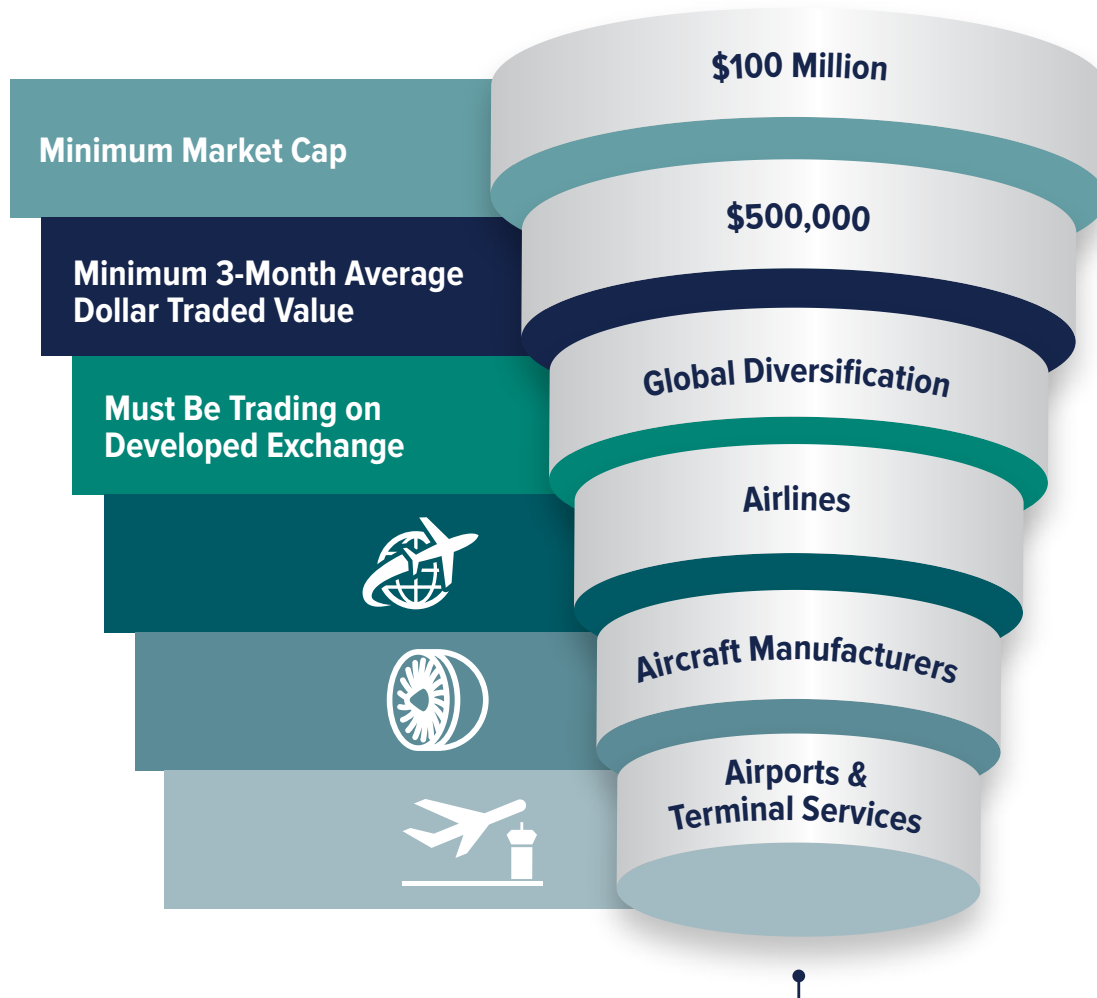
Airports &
Terminal Services

GLOBAL DIVERSIFICATION



INDEX METHODOLOGY—SMART BETA DESIGN

INDEX UNIVERSE



INDEX WEIGHTING

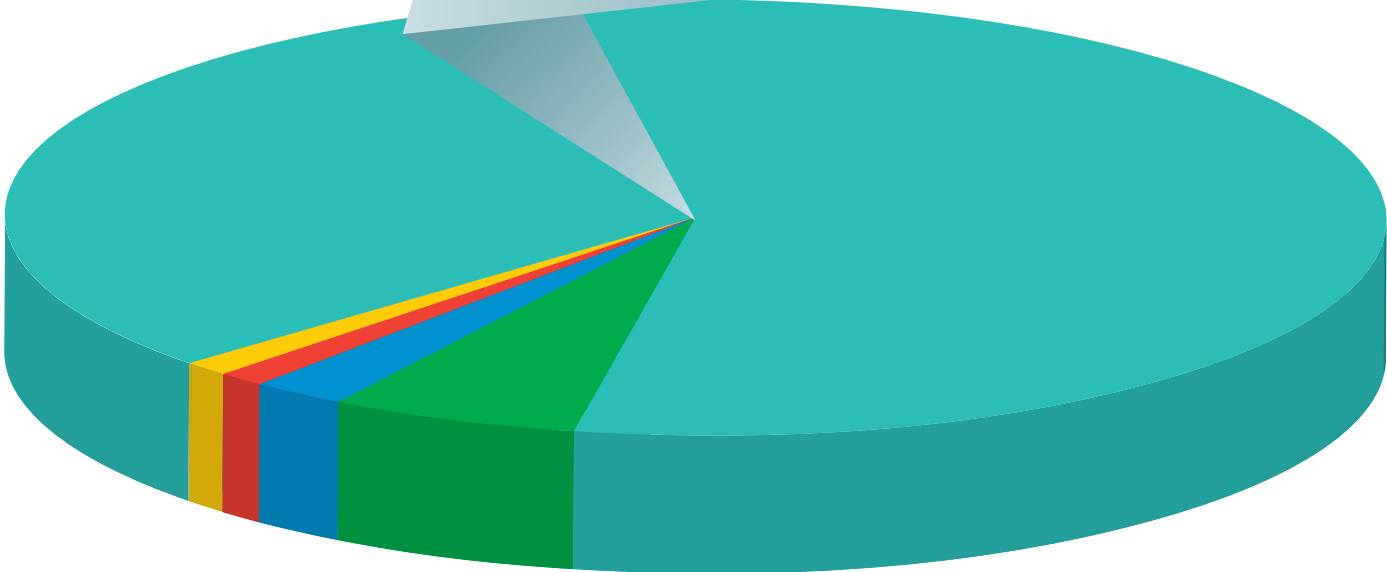
- 1 Top 4 Domestic Airlines**
The top 4 U.S. domestic airlines based on a ranking of market capitalization and load factor receive a weight of 12% each.
- 2 Next 5 Domestic Airlines**
The next 5 U.S. domestic airlines based on a ranking of market capitalization and load factor receive a weight of 4% each.
- 3 Next 4 Domestic Airline Industry Companies**
A composite fundamental rank is calculated for the remaining U.S. airline industry companies. The composite considers cash flow, sales growth, gross margin and sales yield. The top 4 securities based on this rank receive a weight of 3% each.
- 4 Top 20 Foreign Airline Industry Companies**
A composite fundamental rank is calculated for foreign airline industry companies. The composite considers cash flow, sales growth, gross margin and sales yield. The top 20 securities based on this rank receive a weight of 1% each.

The index is rebalanced and reconstituted quarterly.

TOP 10 HOLDINGS

Company Name	Symbol	Weight
1 United Continental Holdings, Inc.	UAL	12.27%
2 Southwest Airlines Co.	LUV	12.10%
3 American Airlines Group, Inc.	AAL	12.10%
4 Delta Air Lines, Inc.	DAL	11.89%
5 Spirit Airlines, Inc.	SAVE	4.01%
6 Hawaiian Holdings, Inc.	HA	3.96%
7 Alaska Air Group, Inc.	ALK	3.93%
8 Virgin America, Inc.	VA	3.91%
9 JetBlue Airways Corporation	JBLU	3.88%
10 Boeing Company	BA	2.95%

*Holdings as of 09/30/2016.



● Airlines 89.90% ● Aerospace & Defense 5.90% ● Engineering & Construction 2.00% ● Other 1.20% ● Transportation 1.00%

ELIGIBLE UNIVERSE OF AIRLINES IN INDEX

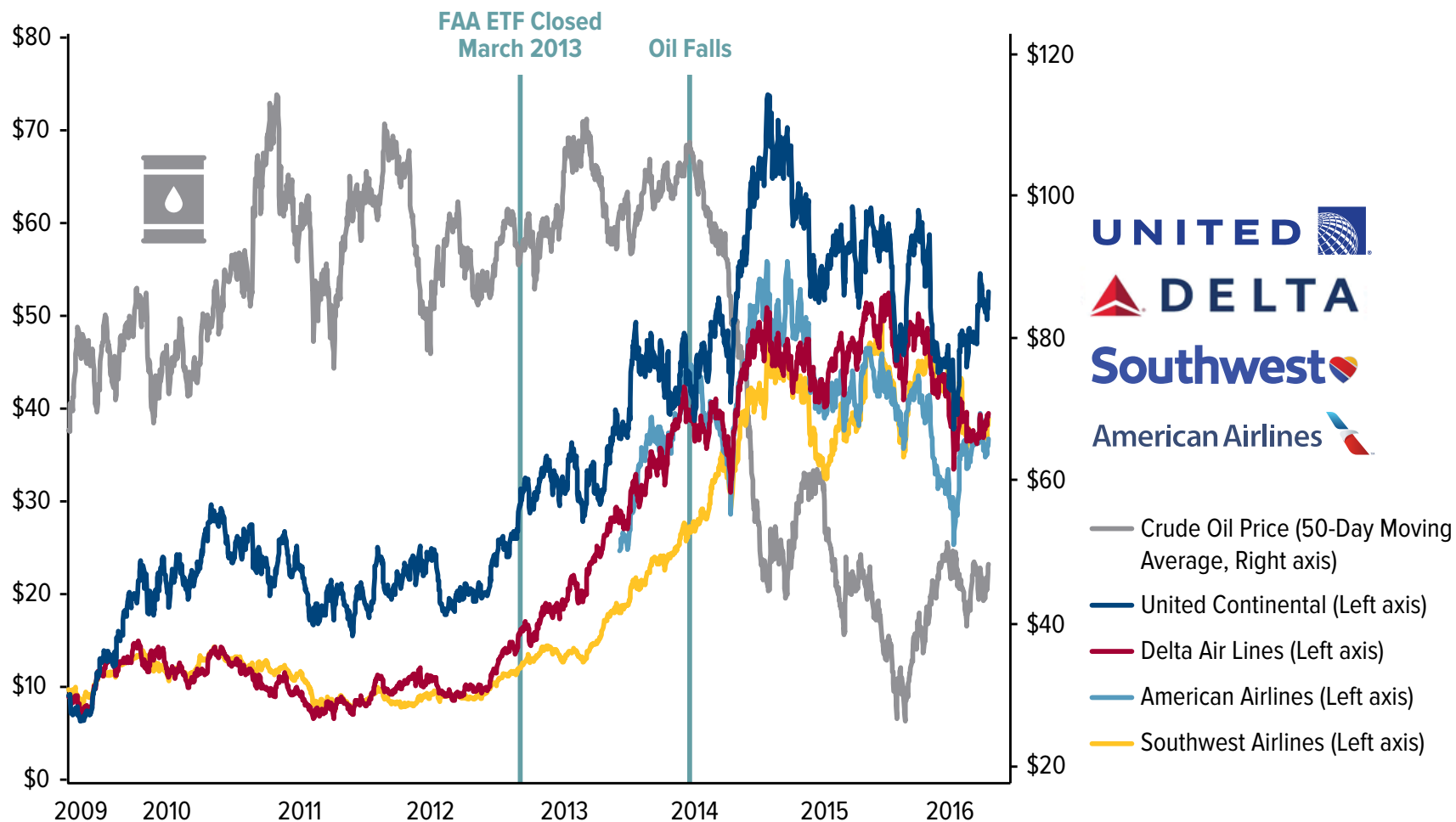




INDUSTRY GROWTH DRIVERS

AIRLINE STOCKS TOOK OFF PRIOR TO OIL PRICES FALLING

September 30, 2009 – September 30, 2016



Note: American Airlines Group merged with US Airways in December 2013. The Guggenheim Airline ETF (ticker FAA) was an airline ETF that closed in March 2013. Past performance does not guarantee future results. **Source:** Bloomberg, U.S. Global Investors

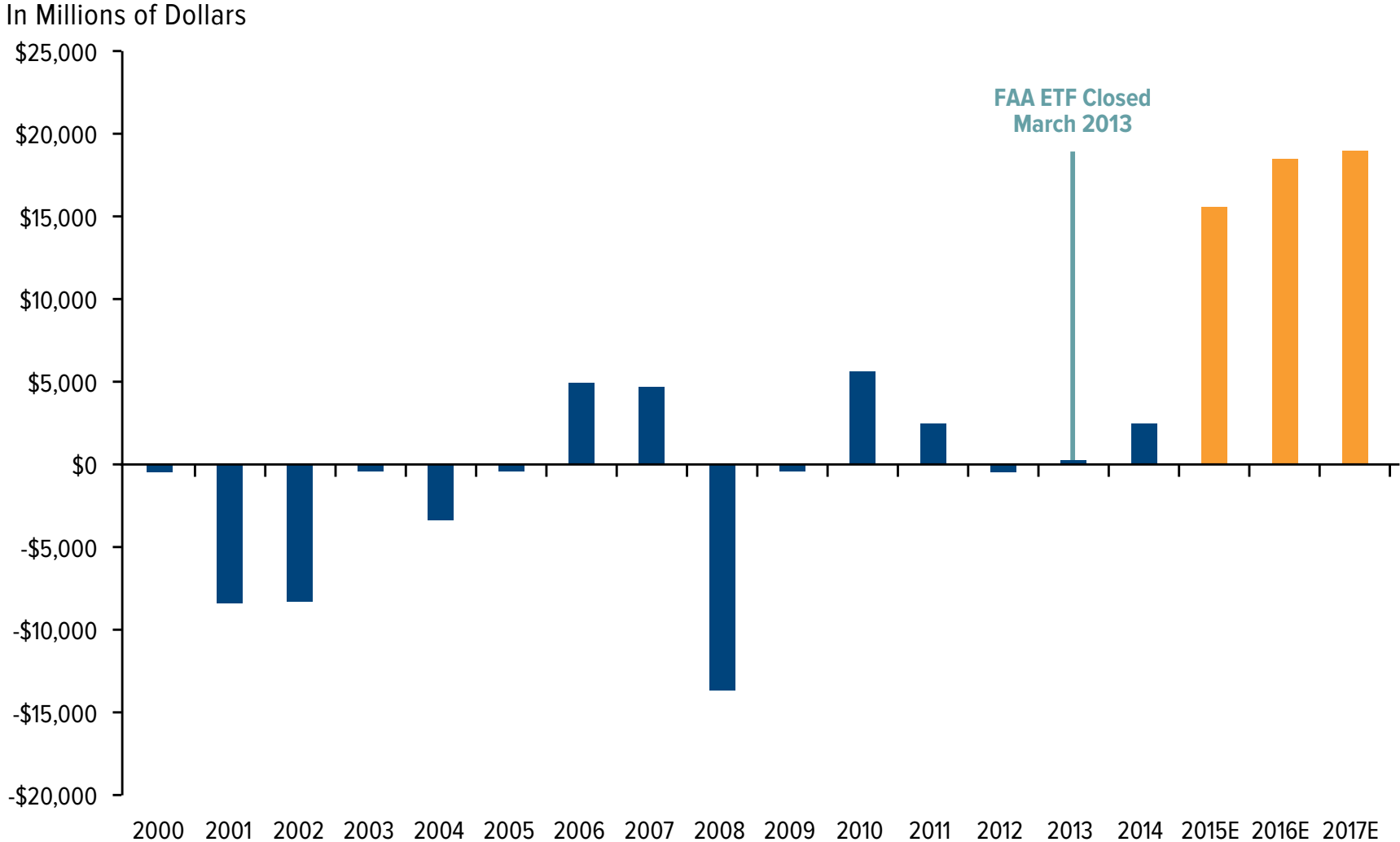
CONSOLIDATION OF AIRLINES HAS LED TO BETTER MARGINS



2014 best margin performance in the past 10 years for U.S. network and value carriers

Source: Oliver Wyman Airline Economic Analysis, November 2014; U.S. Global Investors

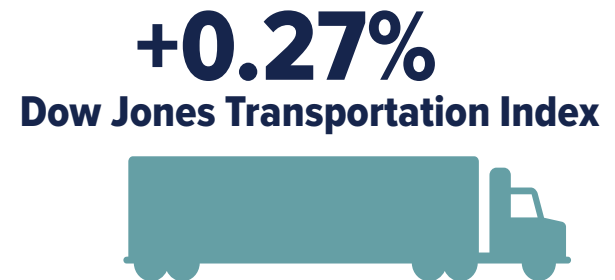
DOMESTIC AIRLINES ARE FORECAST TO SEE GREATEST FREE CASH FLOW IN YEARS



Past performance does not guarantee future results. **Source:** BoA Merrill Lynch Global Research, U.S. Global Investors

Note: The Guggenheim Airline ETF (ticker FAA) was an airline ETF that closed in March 2013.

DIVIDEND YIELD GROWTH



1-Year Dividend Yield Growth, Bloomberg U.S. Airlines Index vs. Dow Jones Transportation Index, as of 9/30/2016.

Dividend yield is the dividend per share, divided by the price per share. Dividend yield growth rate is the annualized percentage rate of growth that a particular stock's dividend yield undergoes over a period of time. **Past performance is not a guarantee of future results. Short term performance is not a good indication of future performance.**

AIRLINES ON SALE

Price-to-Earnings (P/E) Ratios



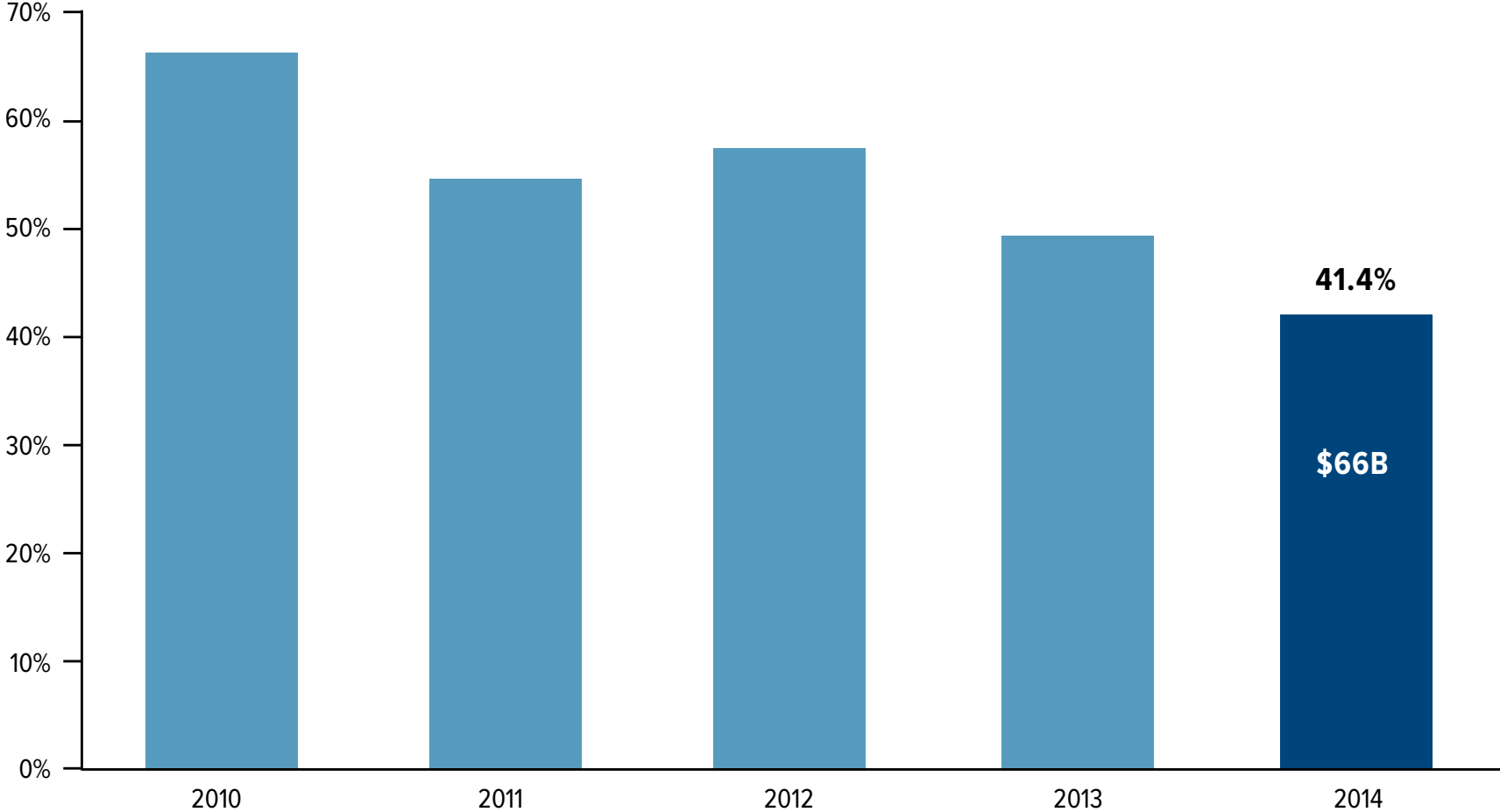
As of 9/30/2016

Note: Bloomberg U.S. Airlines Index, Dow Jones Transportation Index and S&P 500 Index.
Past performance does not guarantee future results. Source: Bloomberg, U.S. Global Investors

U.S. AIRLINES HAVE BEEN PAYING DOWN DEBT

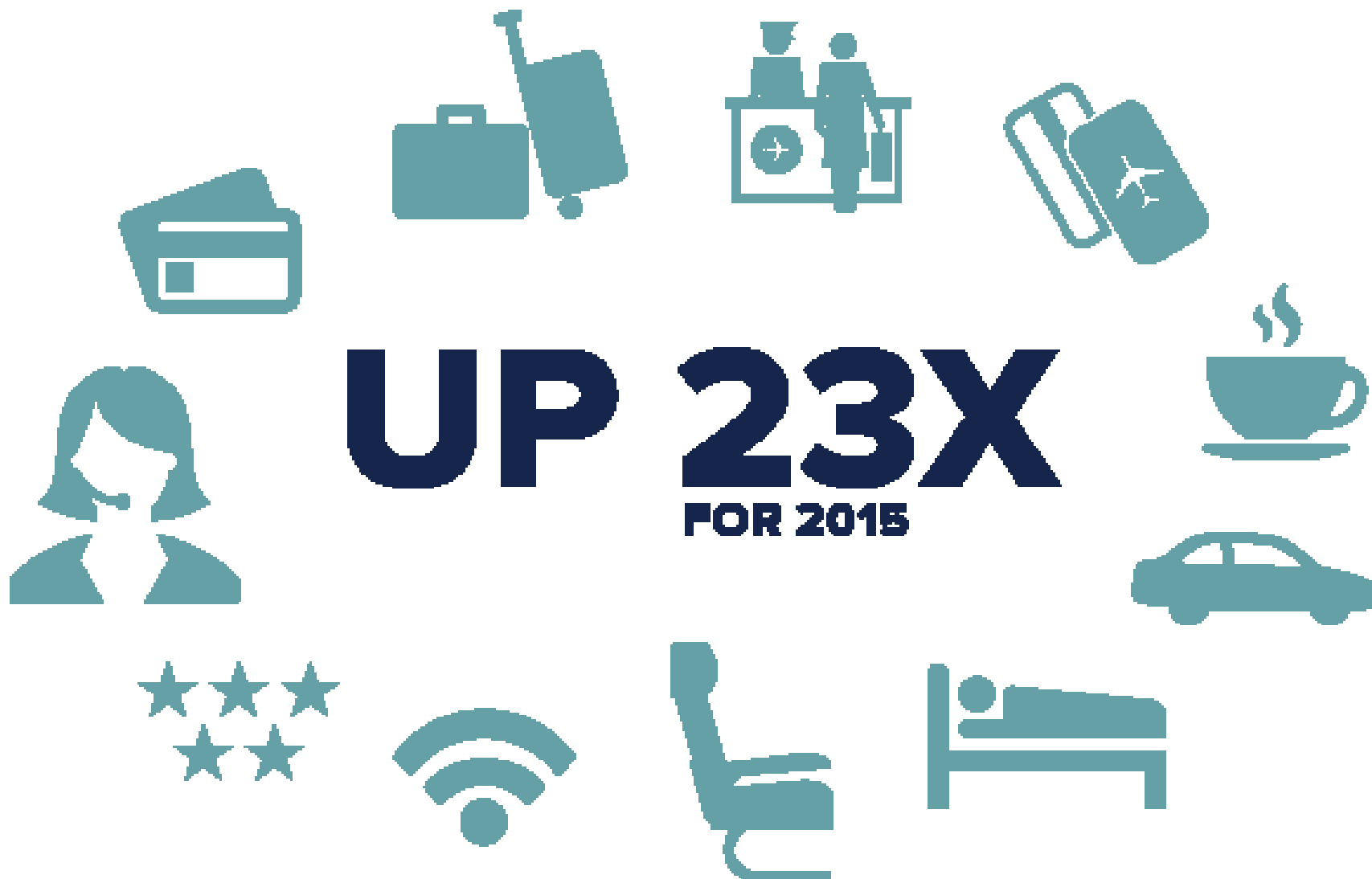


Total Debt as a Percentage of Operating Revenues



Source: Airlines for America, U.S. Global Investors

ANCILLARY REVENUE HAS TAKEN OFF

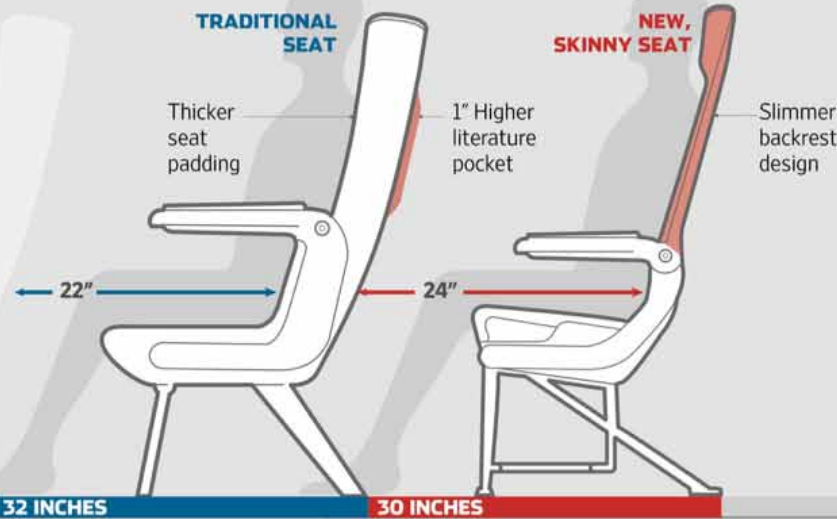


Data based on the financial data disclosed by 130 airlines worldwide, of which 63 reported revenue details identifying ancillary activities. Airlines which are privately owned and don't disclose financial results are not included in this analysis. **Source:** IdeaWorks airline consulting group, November 9, 2015; U.S.Global Investors

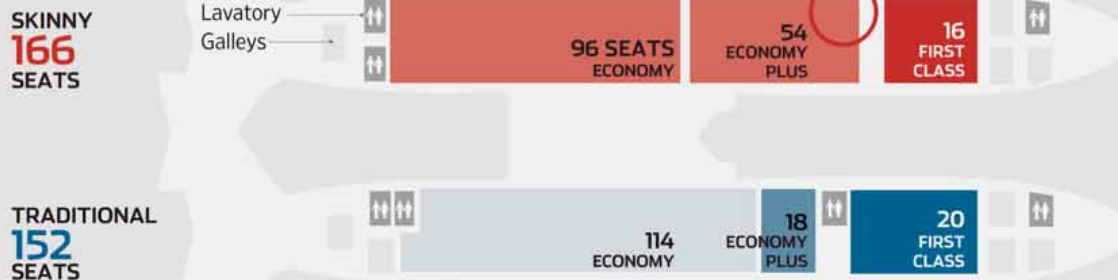
INCREASING SEAT CAPACITY ON PLANES HAS LOWERED BREAKEVEN COSTS

Thinner Seats, More Rows

How new, thinner seats, far right, will change the configuration on a typical flight compared with thicker seats, near right, that used to be more common. Below, one of United's new configurations for its 737-800 planes, compared with an older configuration.



The United 737-800: Two Seating Plans



Sources: Recaro (seats pitch); United Airlines (seat configuration)

Graphic by Alberto Cervantes/The Wall Street Journal

Load Factor

87% in Q2 2014
vs. **71%** in 2004

Since 2009,
revenue per
available seat mile
(RASM) has been
trending upward
for U.S. carriers

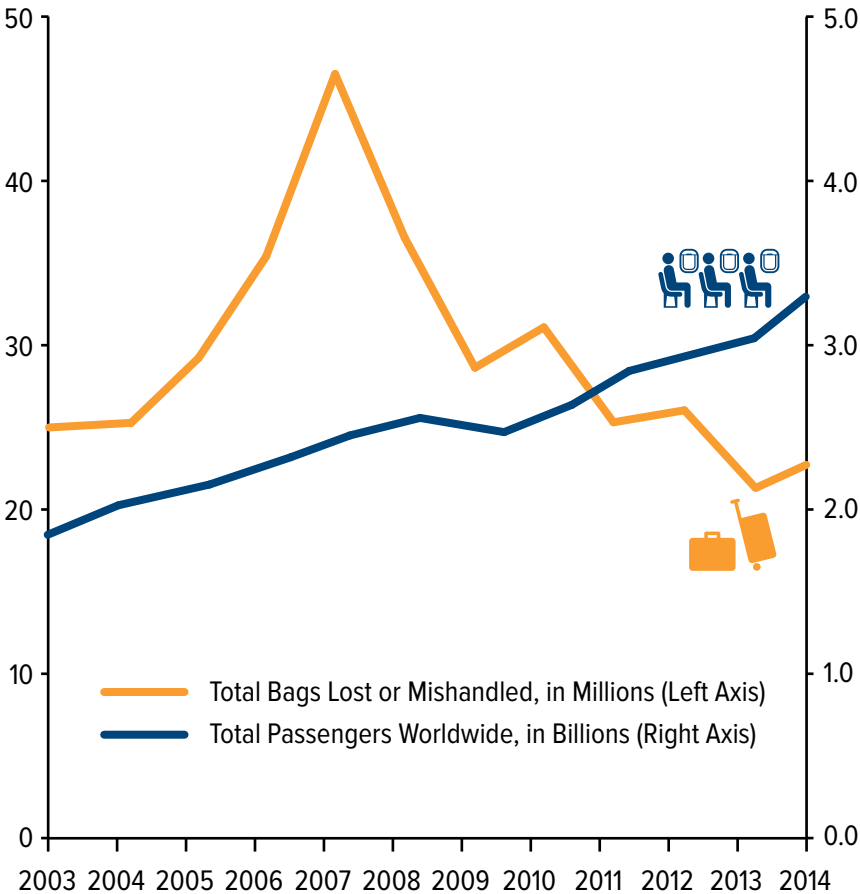
Source: Bureau of Transportation Statistics, 2014; Oliver Wyman Airline Economic Analysis, November 2014; U.S. Global Investors

INVESTING IN TECH LOWERS COSTS



IMPROVED LUGGAGE HANDLING SAVES AIRLINES \$18 BILLION A YEAR

Downtrend in Lost and Mishandled Baggage Saves Airlines \$18 Billion a Year



Source: SITA 2015 Baggage Report, U.S. Global Investors



PASSENGERS BENEFITING FROM
60% DECREASE
IN LOST LUGGAGE

A woman with dark hair in a ponytail, wearing a grey business suit, is looking down at her smartphone. She is standing in what appears to be an airport terminal, with a metal railing in front of her and large windows in the background. The lighting is bright and natural.

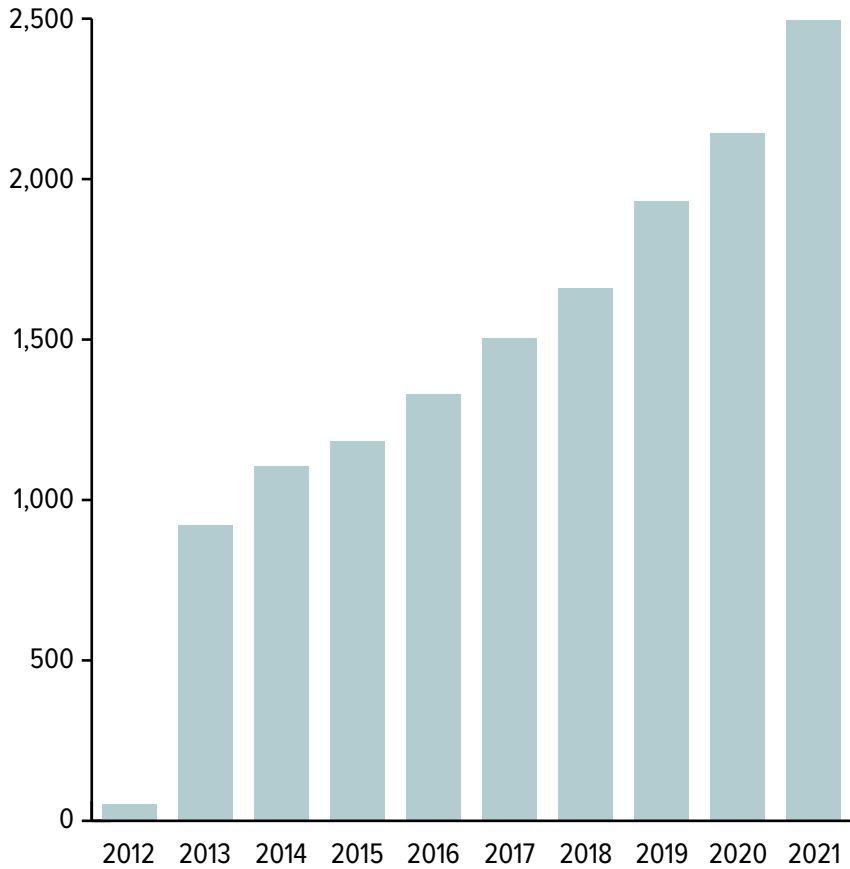
40% MORE
PASSENGERS USING
MOBILE BOARDING

(2014 vs. 2010)

Source: SITA 2014, U.S. Global Investors

PILOT SHORTAGE LIKELY TO MODERATE CAPACITY GROWTH

U.S. Pilot Retirements



Source: Company Reports & Airline Pilot Central Forums, Cowen and Company LLC, U.S. Global Investors



34% OF CURRENT
PILOTS
ARE RETIRING BY **2021**

EXPANDING GLOBAL MIDDLE CLASS HAS INCREASED TRAVEL DEMAND

1.8 Billion



2009

3.2 Billion



2020

4.9 Billion



2030

Carriers expected to post **\$39 billion** collective global net profit in 2016, the fifth consecutive year of improving profits.

Source: OECD, 2014; International Air Transport Association, June 2, 2016; U.S. Global Investors

EMERGING MARKETS PROVIDE GROWTH OPPORTUNITIES



INCREASE IN TOURISM



EXPANSION OF ROUTE NETWORKS



NEW AIRCRAFT ORDERS

BOEING HAS A
7 YEAR
PRODUCTION BACKLOG



Source: Forbes (January 2014), U.S. Global Investors



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www.jetsetf.com



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NYSE ARCA

NYSE Arca operates a fully-electronic exchange trading more than 8,000 exchange-listed securities, including listings on NYSE and Nasdaq. NYSE Arca is also the leading listing and trading platform for exchange-traded funds (ETFs), offering the largest public ETF liquidity pool in the U.S.



MORGAN, LEWIS & BOCKIUS LLP

Morgan, Lewis & Bockius LLP, 2020 K Street NW, Washington, DC 20006-1806, serves as legal counsel for the Trust.



COHEN FUND AUDIT SERVICES, LTD

Cohen Fund Audit Services, LTD serves as auditor.



www.jetsetf.com • 1.844.ETF.JETS

Please consider carefully a fund's investment objectives, risks, charges and expenses. For this and other important information, obtain a statutory and summary prospectus by visiting www.usglobalefts.com or by calling 844.ETF.JETS (844.383.5387). Read it carefully before investing.

The US Global JETS Index seeks to provide access to the global airline industry. The index uses various fundamental screens to determine the most efficient airline companies in the world, and also provides diversification through exposure to global aircraft manufacturers and airport companies. The index consists of common stocks listed on well-developed exchanges across the globe. It is not possible to invest directly in an index.

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Cash Flow is a measure of the amount of cash generated by a company's normal business operations. Smart beta refers to investment strategies that emphasize the use of alternative weighting schemes to traditional market capitalization based indices. Free Cash Flow (FCF) represents the cash that a company is able to generate after laying out the money required to maintain or expand its asset base. Load factor is the ratio of revenue passenger miles and available seat miles for an airline. The S&P 500 Stock Index is a widely recognized capitalization-weighted index of 500 common stock prices in U.S. companies. The Bloomberg United States Airlines Index is a capitalization-weighted index of the leading airline stocks in the United States. The Dow Jones Transportation Average is a price-weighted average of 20 U.S. transportation stocks. of private and public consumption, government outlays, investments and exports less imports that occur within a defined territory. Gross Domestic Product (GDP) is the monetary value of all the finished goods and services produced within a country's borders in a specific time period, though GDP is usually calculated on an annual basis. It includes all of private and public consumption, government outlays, investments and exports less imports that occur within a defined territory. Diversification does not protect an investor from market risks and does not assure a profit. Price-Earnings Ratio (P/E Ratio) is determined by dividing the price of the stock by the company's forecasted earnings per share. There is no guarantee that the issuers of any securities will declare dividends in the future or that, if declared, will remain at current levels or increase over time. Fund holdings and allocations are subject to change at any time and are not recommendations to buy or sell any security. Please visit the fund website, www.usglobalefts.com, for current holdings.