



TRYP

SonicShares™ Airlines, Hotels, Cruise Lines ETF

A Primer

Is the Travel Industry Ready to Take Off?

Investors, like travelers, look to the future. And that, in a nutshell, is why investing in the travel industry is so compelling right now. As the world emerges from the COVID-19 pandemic, the industry that arguably suffered the most from global shutdowns is poised for outsized gains as some semblance of normalcy returns to people's lives.

The Bad News Was Really Bad, But a Rebound Appears to Already Be Underway

It is difficult to overstate the extent to which the pandemic has devastated the travel industry. Within the span of a month, leisure and business travel all but stopped. North American air reservations, which had declined 9% year-over-year in February 2020, plummeted 66% YoY by March, and then a staggering 95% just one month later in April of 2020. European hotel reservations, which had been quite resilient as of February of 2020 (down 1% YoY), nosedived, and by April were also down 95% versus the prior year.

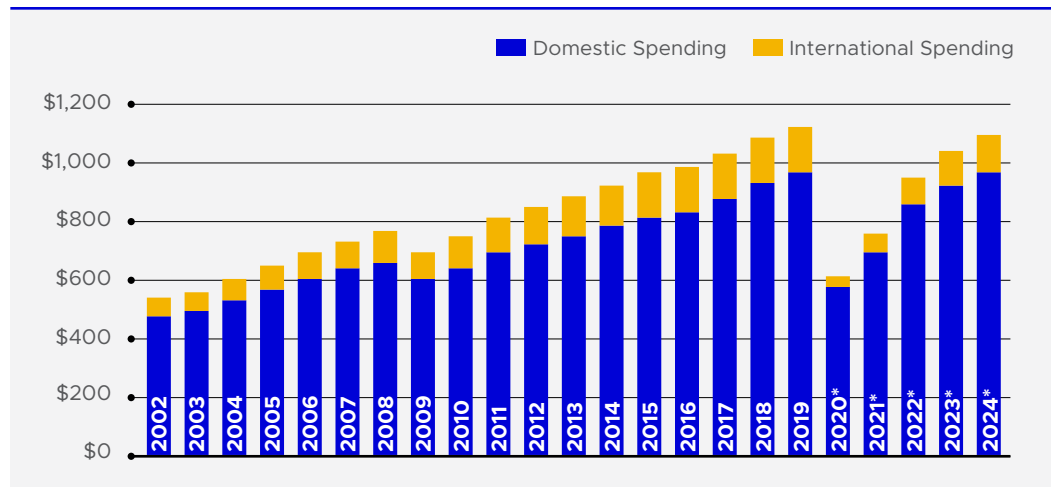
A closer look at **U.S. travel figures** gives a sense of how catastrophic this has been from an economic perspective: Travel spending in 2020 fell by \$500 billion, and direct travel jobs comprised 35% of all jobs lost in the U.S. due to the pandemic (this figure balloons to 65% if "total travel supported jobs" are considered, according to the U.S. Travel Association). Not surprisingly, the global impact on the industry was even bigger: 2020 saw total travel spending fall by over \$3 trillion vs. 2019.

Domestic and international travel spending in the U.S. (2002 to 2024)

(in billion U.S. dollars)

Source: BEA; US Department of Commerce; US Travel Association

* Projected figures for 2020 - 2024.

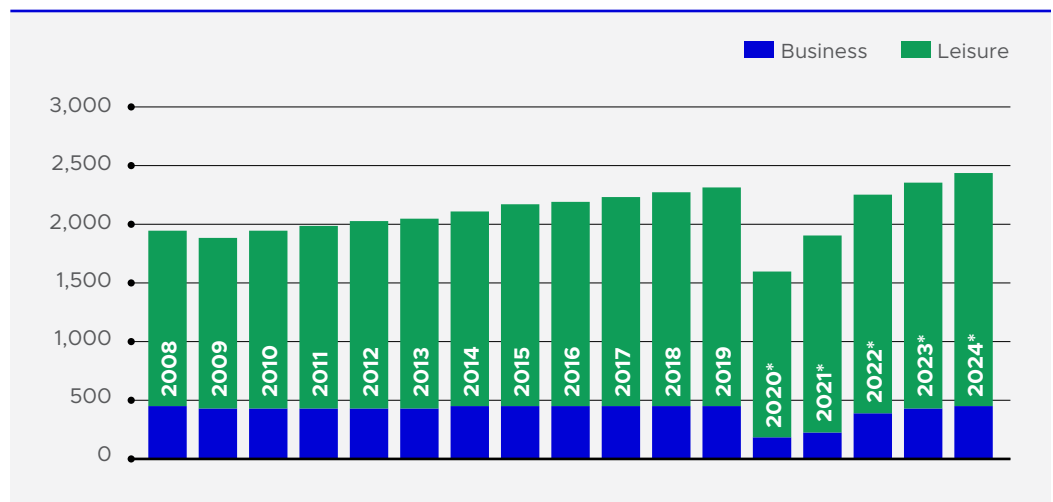


Number of domestic business and leisure trips in the U.S. (2008 to 2024)

(in millions)

Source: US Travel Association

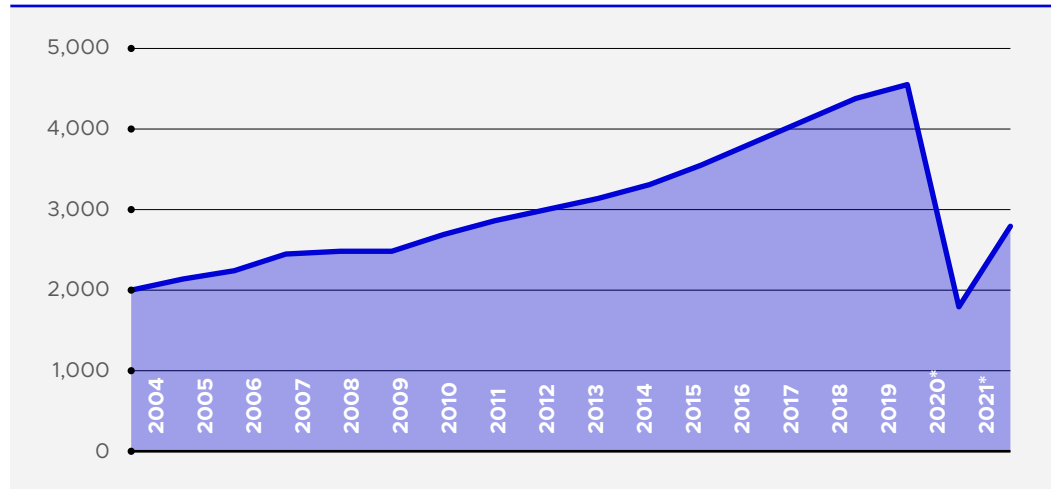
* Projected figures for 2020 - 2024.



Number of scheduled passengers boarded by the global airline industry (2004-2021)

(in millions)

Source: IATA; ICAO
* Estimate ** Forecast



People Are Looking for Travel Reservations, Rather Than Having Reservations About Traveling

The COVID-19 pandemic is sadly still with us. Yet with increasing production and distribution of vaccines, the overall fight against the virus is being won. There is hope on the horizon.

With this hope, many would-be travelers are eager to venture out again, whether it's abroad or simply within their own countries. It would be reasonable to assume that travel might slowly return to pre-pandemic levels. Yet surveys suggest that, frustrated by having to stay at home, individuals may actually travel more than they did before COVID-19 hit.

One **poll** indicates that 60% of people intend to travel more in 2021 compared to 2019. The cruise line sector in particular appears to be set for a massive rebound. The C.D.C. recently eased rules, allowing cruises from U.S. ports to resume by mid-July. Bookings for late 2021 already **appear strong**, and this strength is expected to persist into 2022 and 2023. Against this backdrop, global investment bank UBS has **predicted** that available spots on cruise ships will exceed supply due to still-limited capacity and pent-up demand.

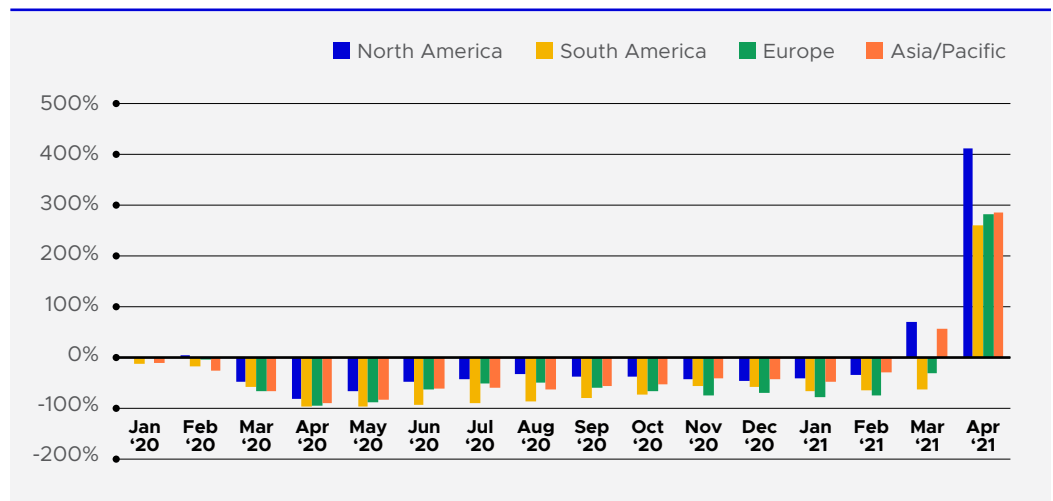
Green Shoots Are Sprouting

On a sequential (YoY) basis, hotel bookings in North America and Asia-Pacific were up 70% and 56% in March of 2021 vs. the same period a year ago. Meanwhile, YoY declines in North American and European air travel are also showing signs of improvement. Granted, these rebounds are off a very depressed base, but they are real and encouraging signs that travel is returning.

Hotel Bookings by Region

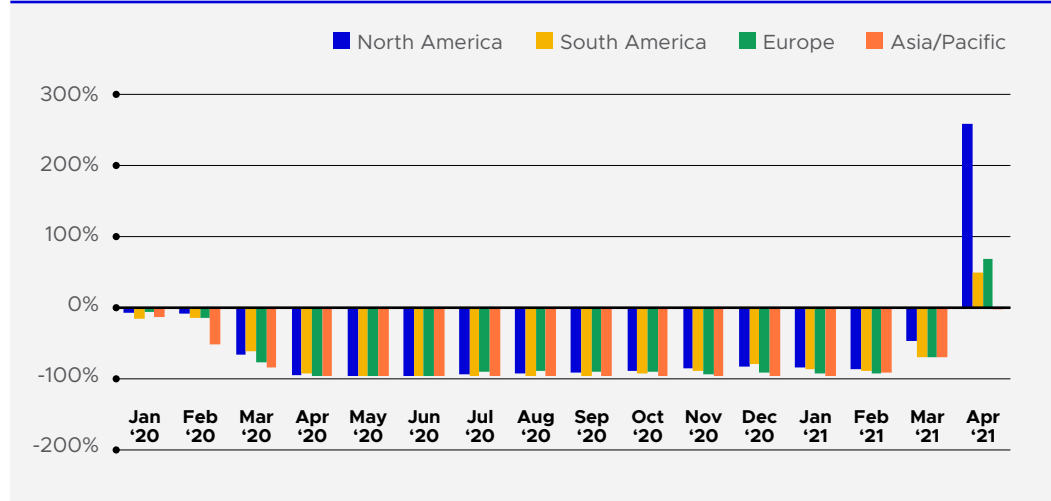
Year on Year % Change

Source: UNWTO



Air Reservations by Region

Year on Year % Change



Source: UNWTO

Introducing TRYP: The SonicShares™ Airlines, Hotels, Cruise Lines ETF

Investors looking to take advantage of potential travel industry growth have access to a broad-based, pure-play vehicle: **The SonicShares™ Airlines, Hotels, Cruise Lines ETF (NYSE Arca: TRYP)**. TRYP tracks the [Solactive Airlines, Hotels, Cruise Lines Index](#) and focuses on companies engaged in these three key travel sectors.

We believe TRYP should appeal to investors on a number of levels:

- It is a cost-effective, diversified way to play the 're-opening' theme as global economies recover from lockdowns associated with COVID-19. Notably, while there are airline ETFs available to investors, these entail single-sector risk. TRYP will be a more balanced product, and the first to offer exposure to a basket of hotel and cruise line stocks, in addition to airline stocks.
- The index's innovative design means that all 3 sectors are well represented in TRYP's top 10 holdings: The weights of the top 3 index components within each of the 3 sectors are set at 4.5%, so that on each index rebalance, TRYP's top components will consist of 3 names from each of the 3 sectors.
- Beyond the pandemic, the ETF can be an attractive way for investors to express a bullish view on the travel industry for years to come.
- Given that some of the index constituents representing the hotel sector are structured as REITs, there is the potential for ongoing income, in addition to the capital gain opportunities.

All Aboard the Travel Resurgence

The pandemic delivered a devastating blow to the travel industry, but with the world re-opening, there's reason to be optimistic. And with TRYP, investors now have what we believe is an ideal ETF to seize an investment opportunity that is likely still in its infancy. So book your TRYP before this opportunity departs.

Investors should consider the investment objectives, risks, charges and expenses carefully before investing. For a prospectus or summary prospectus with this and other information about the Fund, [click here](#). Read the prospectus or summary prospectus carefully before investing.

Fund Risks: An investment in the Fund is subject to numerous risks including the possible loss of principal. There can be no assurance that the Fund will achieve its investment objective. Equity securities, such as common stocks, are subject to market, economic and business risks that may cause their prices to fluctuate. As with all ETFs, Fund shares may be bought and sold in the secondary market at market prices. The market price normally should approximate the Fund's net asset value per share (NAV), but the market price sometimes may be higher or lower than the NAV. The Fund is new with a limited operating history. There are a limited number of financial institutions authorized to buy and sell shares directly with the Fund, and there may be a limited number of other liquidity providers in the marketplace. There is no assurance that Fund shares will trade at any volume, or at all, on any stock exchange. Low trading activity may result in shares trading at a material discount to NAV. Please see the [prospectus](#) and [summary prospectus](#) for a complete description of principal risks.

The Fund's investments will be concentrated in an industry or group of industries to the extent the Index is so concentrated. In such event, the value of Shares may rise and fall more than the value of shares that invest in securities of companies in a broader range of industries. Due to the discretionary nature of leisure travel spending, the airline, hotel and cruise line industries may be adversely affected by a downturn in economic conditions, which may significantly impact the performance of the Fund which is concentrated in these sectors. Investments in securities or other instruments of foreign securities involve certain risks not involved in domestic investments and may experience more rapid and extreme changes in value than investments in securities of U.S. companies.

The fund is distributed by [Foreside Fund Services, LLC](#).

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