

Active is: Conducting proprietary research

# Demand for business jet travel could encounter economic headwinds

25/06/2019 

## Summary

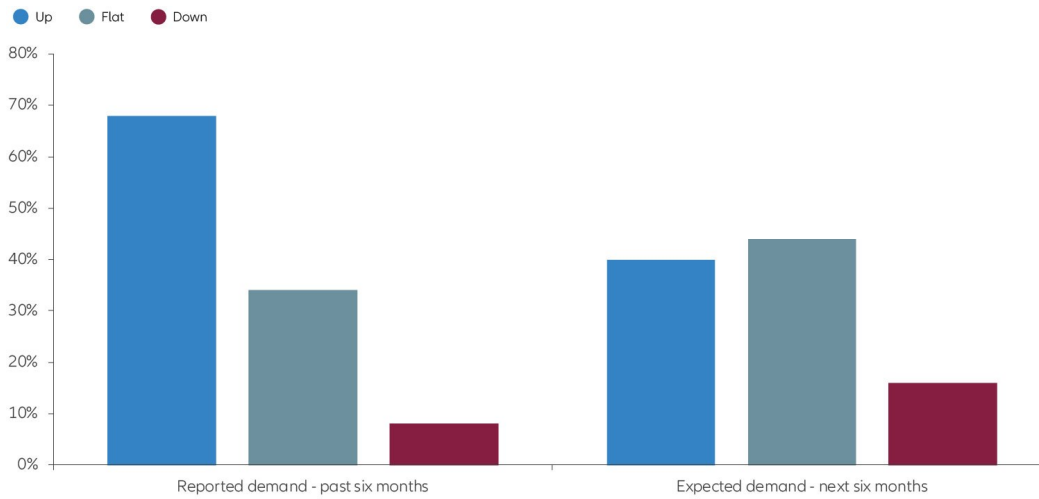
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Two-thirds of sources experienced an increase in business jet operations in the past six months due to seasonal demand, a strong economy, and increasing interest in charter vs. commercial travel. But with uncertainty about the stock market and the economy on the horizon, three-fifths believe demand may flatten or decline the next six months, while two-fifths believe it will increase.

Interviews with charter and fleet operators as well as support specialists in the US revealed that 68% said demand for business jet operations trended up in the past six months due to higher seasonal demand around the holidays as well as a strong economy. However, 24% of sources said demand for business jet operations trended flat, while 8% said down.

Meanwhile, 72% of sources said demand for business jet operations trended in line with expectations in the past six months, mostly due to a continuing increase in interest in charter travel vs. commercial travel as well as expected rises and dips in seasonal demand. However, 16% said demand for business jet operations trended above expectations due to greater awareness of the convenience of private travel, while 12% said below due to economic uncertainty toward the end of 2018.

Looking ahead, 44% of sources expect demand for business jet operations to remain flat in the next six months due to seasonal demand trends, uncertainty about the stock market and the potential for a continued government shutdown. However, 40% expect demand for business jet operations to increase due to a stronger economy and the greater convenience of charter travel, while 16% expect it to decrease because of seasonal slowdowns in travel and uncertainty about the economy.



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Active is: Managing tail risks

# How do ESG factors impact portfolio performance?

by Steffen Hörter | 26/06/2019 [↓](#)



## Summary

Our ESG team examines systematic evidence demonstrating that actively managing ESG tail risks may help to deliver sustainable investment performance over a market cycle.

### Key takeaways

- ESG factors materialise mostly on portfolio downside – not upside
- Avoiding large portfolio drawdowns triggered by ESG risks can help to contribute better risk/adjusted returns over market cycle
- While focus on ESG tail risks is important, ESG risk avoidance per se is not a promising investment recipe
- As the performance of ESG investment indices is often driven by unintended factor changes, passive, rules based ESG index strategies can be challenged

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