



INSIGHT

STATE OF THE MARKET

Q3 2021

PRE-OWNED BUSINESS JETS

Market Overview

Active Fleet	14,103
For Sale/Lease	538 ↓
% for Sale	3.8% ↓
Sold Year-to-Date	1,226
Sold Prior Year	746
Absorption Rate	3.6 Months

Market Rankings

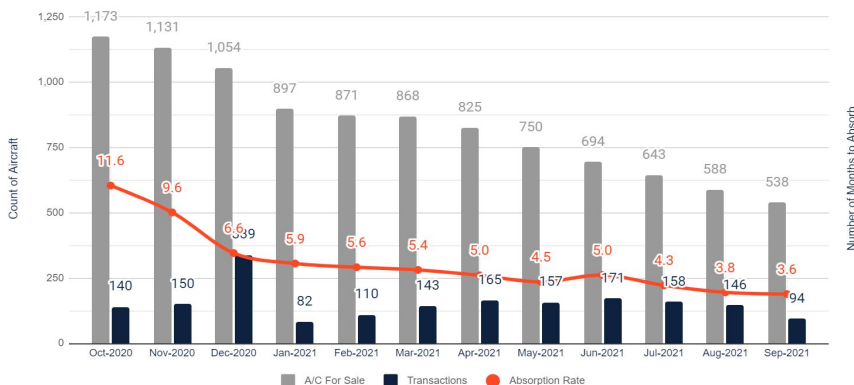
H800XP	1	CJ2	31
CJ3	2	2000EXEASy	32
Mustang	3	CJ1	33
Excel	4	G280	34
Phenom 300	5	G200	35
CJ4	6	Legacy 500	36
CL 300	7	GL5000	37
G550	8	Lear 75	38
Lear 45	9	Lear 45XR	39
H900XP	10	CL605	40
XLS	11	GL6000	41
Citation X	12	G650ER	42
CJ2+	13	900EXEASy	43
CL604	14	CJ1+	44
XLS+	15	G150	45
Encore	16	GV	46
Phenom 100	17	900EX	47
IVSP	18	Premier IA	48
H850XP	19	Lear 60	49
Latitude	20	GL XRS	50
Legacy 600	21	900LX	51
CL 350	22	Falcon 2000	52
G450	23	7X	53
M2	24	Sovereign+	54
CJ3+	25	Legacy 650	55
CL650	26	Encore+	56
2000LX	27	GL EXP	57
G650	28	Premier I	58
Legacy 450	29	2000EX	59
Sovereign	30	Lear 60XR	60

*Competitive Market Rank is a measure of each model's market performance in key metrics relative to the average of the top 60 modern business jet markets, and is based on current month market and the last 6 months of transaction data.

Market Highlights

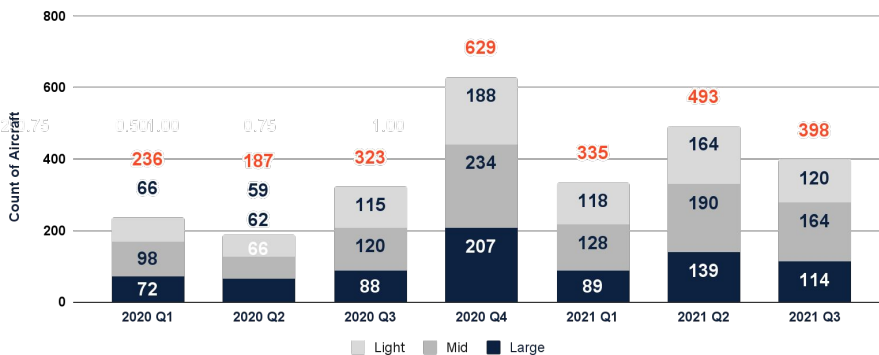
- Available inventory in modern, pre-owned jet markets continues to trend downward, with less than 4% of the fleet available for sale, less than half of the 8% that is historically indicative of a "balanced" market.
- Retail transaction volume remains strong despite the lack of publicly available inventory; Q3 2021 outperformed Q3 2020 by 23%, and a more "normal" quarter of Q3 2019 by 43%.
- Record aircraft utilization, historic charter demand, and first-time buyers continue to fuel the markets. Absent a black swan event, values will trend higher in Q4 thanks to limited inventory and the favorable tax environment through year-end.

12 MONTH MARKET TREND

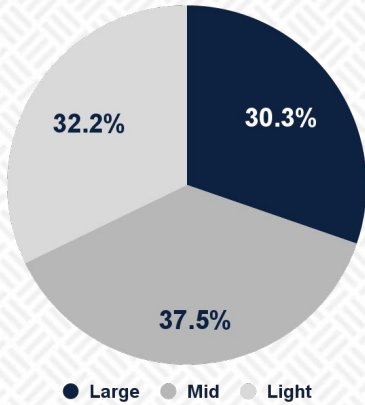


YTD	Inventory	Transactions	Absorption Rate
2020	1209	746	14.2
2021	538 ↓ -56%	1226 ↑ 64%	3.6 ↓ -75%

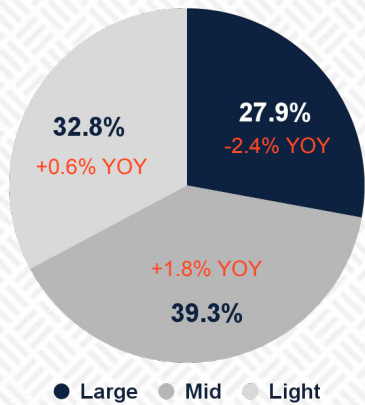
TRANSACTIONS BY QUARTER AND CABIN CLASS



TRANSACTIONS BY CABIN CLASS (2020)



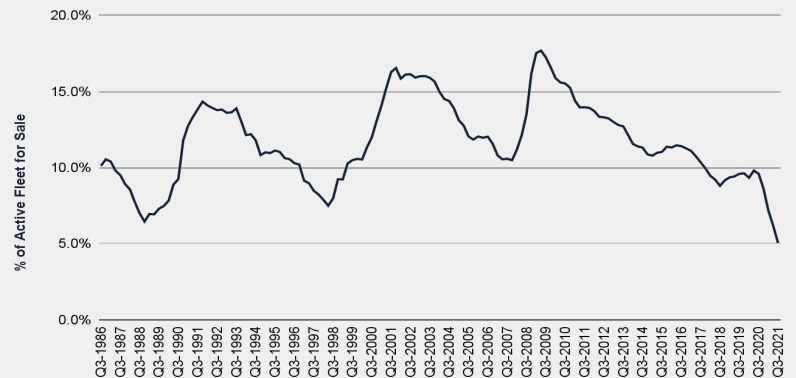
TRANSACTIONS BY CABIN CLASS (2021)



Market Values

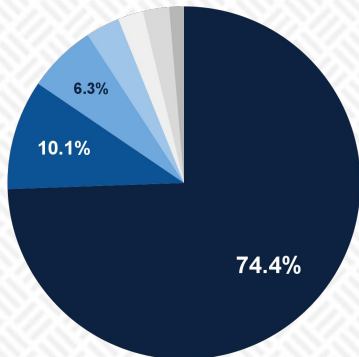
- Aircraft values are up approximately 12% across all market segments YTD, with some markets up as much as 30% in the past 9 months.
- Thanks to a dramatic increase in new aircraft orders and the resultant OEM backlogs, many of which extend well into 2022 or 2023, late model (less than 5 years old) aircraft have experienced the most dramatic increases in values.
- Values continue to increase with most desirable aircraft now sold via a bidding, or auction style process, well before their public release to the market. This phenomenon has resulted in the most Seller favorable market conditions in the history of business aviation.

A Historic Pre-Owned Jet Market



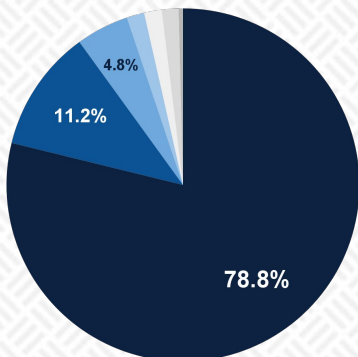
- The above graph shows pre-owned business jet inventory as a percentage of fleet availability since 1986. Total jet inventory continues to free fall quarter after quarter and the current availability of less than 4% is the lowest percentage on record.
- Q3, 2021 had the highest jet retail transaction volume of any Q3 in history and ranks 4th in total retail transaction volume of the 144 quarters ever documented.
- Record low supply (pre-owned and new), strong demand, and increases in pricing have created a very favorable environment for aircraft sellers and one of the most challenging environment for buyers in the past 13 years.

TRANSACTIONS BY BUYER REGION (2021)



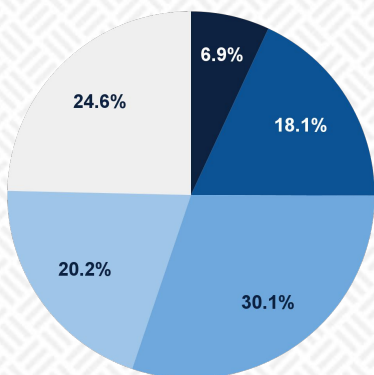
● N. America ● W. Europe ● S./C. America ● E. Europe / W. Asia
 ● Mid. East/Africa ● Asia ● Australia/Oceania

TRANSACTIONS BY SELLER REGION (2021)



● N. America ● W. Europe ● S./C. America ● E. Europe / W. Asia
 ● Mid. East/Africa ● Asia ● Australia/Oceania

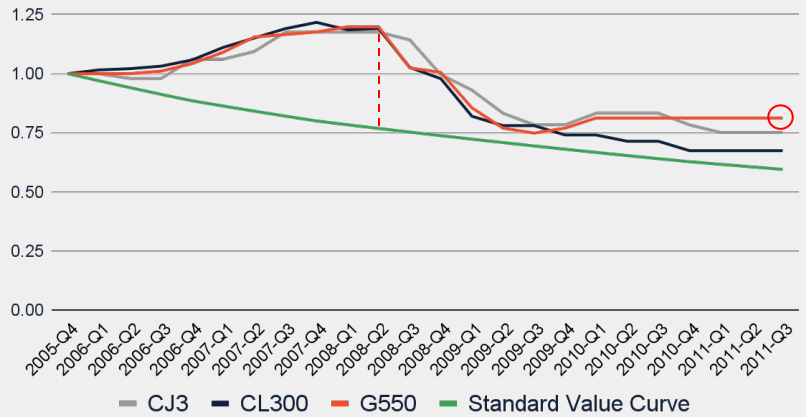
CURRENT MARKET BY AIRCRAFT AGE



● 0-4 ● 5-9 ● 10-14 ● 15-19 ● 20+

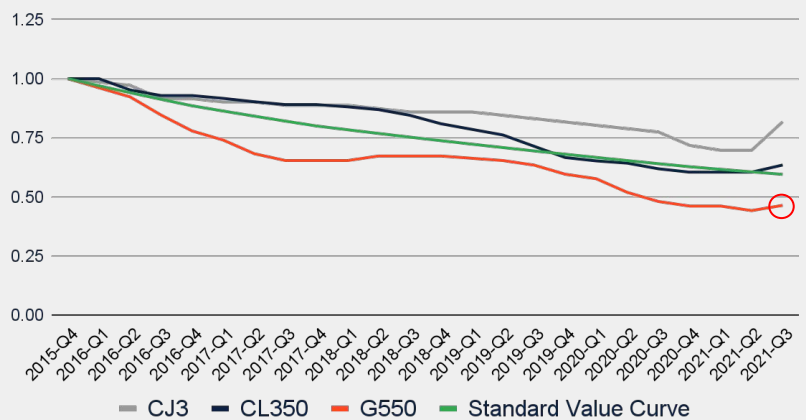
Business Jet Values Compared

Vref Book Value Retention 2005 Model (2005-2011)



- The chart above shows the value of a 2005 model year aircraft (CJ3, CL300, and G550) over the first 6 years of its life in comparison to the Standard Value Curve. The market bubble (Q4 2006-Q3 2008) had values over 40% above the normal depreciation curve. At the end of the period, the three aircraft had depreciated an average of 26% since new.

Vref Book Value Retention 2015 Model (2015-2021)



- The chart above shows the value for the same three aircraft, albeit produced in 2015, relative to the Standard Value Curve.
- While the 2015 CJ3's and CL350's "% of New Price" is within 3-7 basis points of the respective 2005 equivalents through the same time span, 2015 model year G550 value retention is 35 basis points lower than the 2005 model year equivalent.
- At 14 basis points under the standard value curve, the later model year G-550's are significantly undervalued and have a high likelihood of material value appreciation in future quarters. This statement extends to other large-cabin, modern aircraft that have suffered significant market depreciation in recent years.