

The IPOX® Week

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Contact: eva@ipoxschuster.com

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- Perceived corporate actions and earnings leave **IPOX Indexes** on top of weekly performance rankings.
- **IPOX-linked** investment products mirror the big gains.
- Shortened U.S. trading week sees few IPOs, **Snap Inc.** set to list March 2, 2017.

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Perceived corporate actions and earnings leave **IPOX Indexes** on top of weekly performance rankings. Solid Earnings amongst key portfolio holdings and big perceived corporate action activity left the **IPOX Indexes** on top of the weekly benchmark performance rankings. Most relative upside was recorded by the **IPOX U.S. Indexes** (IPXC, IPXO, IPXT), with the diversified USD trillion 1.2 **IPOX 100 U.S. Index** surging by +2.17% to +6.35% YTD, +66 bps. ahead of the **S&P 500 Index** (SPX), the main gauge for U.S. stocks. Big contributor to returns was consumer staple Spin-off **Kraft Heinz** (KHC US: +7.15%), similar to **Berkshire Hathaway** (BRK/B: +2.78%), also IPOX's most heavily weighted portfolio holding. After a volatile week, the stock surged towards the week-end on reports of a merger approach with British consumer staple behemoth **Unilever** (ULVR LN: +14.70%). Other **IPOX U.S. Index** holdings with big upside included communication equipment makers **Arista Networks** (ANET US: +20.53%) and **Acacia Communications** (ACIA US: +18.85%), as well as Spin-off **The Chemours Company** (CC US: +17.53%). Specialty pharma constituent 01/2013 IPO **Zoetis** (ZTS US: -5.78%) fell sharply after reporting weak earnings. In all 63% of **IPOX 100 U.S. Index** (IPXO) members rose on the week, with the average (median) equally-weighted stock gaining +1.38% (+0.79%), significantly lagging the applied market-cap weighted index.

IPOX-linked investment products mirror the big gains. IPOX-linked investment products mirrored the big gains in the underlying **IPOX Indexes**. For example, available to investors in the U.S. and Europe, the USD million 671, 5-star **First Trust U.S. Equity Opportunities ETF** (FPX US, FPX LN) closed at a fresh all-time time, adding +2.18% to +6.41% YTD, while its international counterpart (FPXI US) added +0.36% to +7.66% YTD. The **IPOX Allocation Fund** (OIPAX), an actively managed mutual fund available to investors in the U.S., added +1.33% +5.01% YTD.

Shortened U.S. trading week sees few IPOs, **Snap Inc.** set to list March 2, 2017. At least 7 significant, accessible (non China A-shares) IPOs commenced trading last week with the average (median) equally-weighted firm gaining +14.57% (+10.07%) based on the difference between the final offering price and Friday's close. Most initial upside was recorded by JASDAQ-traded communications services provider small-cap **Nissen Inc.** (6543 JP: +66.88%). Ahead of the shortened U.S. trading week, we note a number of notable IPO filings in international markets including **Shell** Spin-off, Dutch-based specialty chemicals maker **Avantium Holdings** and African Financial Services firm **I&M Bank Rwanda**, promising to re-open the IPO window for

IPOX Price Returns (%)	Week	2017	2016
Exposure: Global/International (xUS) (USD)			
IPOX Global 50 (IPGL50)	1.51	6.64	-2.50
IPOX Global 30 (IPGL30)	1.74	6.33	1.73
IPOX International (IPXI)*	0.66	7.48	-4.63
Exposure: United States			
IPOX Composite U.S. (IPXC)*	1.47	8.08	7.24
IPOX 100 U.S. (IPXO)*	2.17	6.35	5.89
IPOX 30 U.S. (IPXT)	2.43	6.46	8.44
Exposure: Europe/Nordic Region			
IPOX Europe (IXTE)	-0.48	3.27	0.18
IPOX Nordic (IPND)	1.07	4.84	-1.59
Exposure: Asia-Pacific/China Region			
IPOX Asia-Pacific (IPTA)	0.37	4.82	-1.96
IPOX Comp. China (IPXUCHCP)*	-0.07	8.51	-3.73
IPOX China (CNI)	1.39	10.67	-10.21

* Basis for Exchange-Traded Products (e.g. FPX US, FPX LN, FPXU FP, FPXI US, TCIP110 IT) and CME Futures (**e-mini IPOX 100 U.S. Index Futures** [commodity trading symbol: IPOH7]).

firms on the African continent. Filing activity remained brisk for deals in the United States and included oil&gas services provider **Liberty Oilfield Services LLC**, high-end Canada-domiciled apparel maker dual-listing **Canada Goose Inc.** and enterprise software maker **MuleSoft Inc.** No significant (non China-A Shares) IPOs are scheduled for the upcoming week. Companies lined up towards the end-of the month/beginning of next month include alternative asset manager **Hamilton Lane** (HLNE US), Vietnamese international low-cost airline **Vietjet Aviation JSC** (VJC VN), as well as U.S. social networker **Snap** (SNAP US), which has set its IPO pricing date for Wednesday, March 1, 2017 with trading set to commence Thursday, March 2, 2017, slightly earlier than had been expected. The company last week updated its IPO filing and specified the initial price range for the stock, envisioning a total initial market cap. between USD billion 20-22 (or ca. 50 times 2016 sales) and raising ca. USD billion 3.2 in the process.

Traded IPOs (week of 02/13/2017)	Country
Dadi Education Holdings Ltd.	Hong Kong
New Age Beverages Corp.	United States
Nissen Inc.	Japan
Inventiva SA	France
Instituto Hermes Pardini SA	Brazil
Pine Care Group Ltd.	Hong Kong
Xafinity PLC	United Kingdom
Upcoming IPOs (week of 02/20/2017)	Country
Able Engineering Holdings Ltd.	Hong Kong
GEM Group Holdings	Hong Kong
Oncopeptides AB	Sweden