

The IPOX® Week

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edited by Dr. Josef Schuster

 Contact: josef@ipoxschuster.com

◆ Think GROWTH – Think IPOX

- Style-Box agnostic **IPOX Indexes** sail past markets in Q3 2017.
- IPOX-linked ETF Q3 2017 Returns: **FPX** adds 7.17% to 18.66% YTD, **FPXI** rises 9.75% to 35.58% YTD.
- Global Deal-flow Review and Outlook: IPOs finish quarter on strong note, more deals lined up.

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Style Box agnostic **IPOX Indexes** sail past markets in Q3 2017. The style box agnostic **IPOX Indexes** recorded outsized gains during last quarter, significantly exceeding the performance of the respective markets. In the U.S., e.g., the **IPOX 100 U.S.** (IPXO) – benchmark for the performance of the largest New Listings (IPOs and Spin-offs) in the U.S. by applying the **IPOX Indexes Technology** – added 7.06% to 18.00% YTD, now 547 bps. YTD ahead of the **S&P 500** (SPX), main gauge for U.S. stocks. Big gains extended across the **IPOX Indexes Universe** with the **IPOX International** (IPXI) and **IPOX Europe** (IXTE) continuing to stand out.

(Perceived) Corporate Actions drive big gains in **IPOX portfolio holdings**: Being on the winning side of (perceived) corporate actions and activist investor interest globally continued to be an important feature of the **IPOX Indexes** and contributed significantly to the outsized performance. Select **IPOX Holdings** subjected to such actions in Q3 2017 included:

Name	Ticker	Q3 17 Return	Corporate Action
Kite Pharma	KITE US	73.34%	Takeover (agreed)
Fiat Chrysler	FCAU US	68.49%	Takeover (perceived)
Alcoa	AA US	42.79%	Investor Activism
Uniper	UN01 GY	41.16%	Takeover (perceived)
Worldpay	WPG LN	29.29%	Take over (agreed)
Recruit	6098 JP	26.20%	Index addition
Nets	NETS DC	25.87%	Takeover (perceived)

While big wins on the IP-front also lifted IPOX heavyweight drug maker **Abbvie** (ABBV US: 22.55%), mostly earnings-related concerns pressured select **IPOX Holdings** during the last quarter, including social networker **Snap** (SNAP US: -18.18%), European telecom **Altice** (ATC NA: -16.11%) or consumer staple **Kraft Heinz** (KHC US: -9.45%).

IPOX-linked ETF Q3 2017 Returns: **FPX** adds 7.17% to 18.66% YTD, **FPXI** rises 9.75% to 35.58% YTD. **FPX** and **FPXI** offer a granular and style-box agnostic approach to investing in the largest global New Listings (IPOs and Spin-offs), often a pure proxy for economic growth and innovation.

Global Deal-flow Review and Outlook: IPOs finish quarter on a strong note, more deals lined up: At least 13 accessible (non-China A shares and local India) firms commenced trading last week with the average (median) IPO adding 21.25% (10.00%) based on the difference between the final offering price and Friday's close. Upside was strong in growth- and research oriented deals linked to specialty industries with most upside recorded by online streaming audio and video services provider **Roku** (ROKU US: 89.57%) and China-based **RYB Education**

IPOX Price Returns (%)	Last Week	Q3 2017	YTD 2017
Exposure: Global/International (x US) (USD)			
IPOX Global (IPGL50)	-1.19	8.63	24.20
IPOX Global (IPGL30)	-1.25	7.27	24.44
IPOX International (IPXI)*	-2.02	9.49	33.36
Exposure: United States (USD)			
IPOX Composite U.S. (IPXC)*	-0.08	8.86	27.79
IPOX 100 U.S. (IPXO)*	0.52	7.06	18.00
IPOX 30 U.S. (IPXT)	0.21	7.99	19.64
Exposure : Europe/Nordic Region (EUR)			
IPOX Europe (IXTE)	0.55	5.59	20.83
IPOX Nordic (IPND)	1.74	5.17	18.65
Exposure: Asia-Pacific/China Region (USD)			
IPOX Asia-Pacific (IPTA)	-0.80	2.85	14.75
IPOX Comp. China (IPXUCHCP)	-2.41	12.29	37.73
IPOX China (CNI)	-3.57	9.59	27.87

* Basis for ETPs: FPX US, FPX LN, FPXU FP, FPXI US, TCIP110 IT) and CME Futures (**e-mini IPOX 100 U.S. Index Futures** [Commodity trading symbol: IPOZ7]).

(RYB US: 54.05%), an operator of Kindergaerten and pre-schools in China. We note continued solid initial gains in larger China-linked IPOs debuting in the Hong Kong market, including machinery maker **Precision Tsugami China** (1651 HK: 48.57%) or larger **ZhongAn Online P&C Insurance** (6060 HK: 6.28%). More deals are set to go public this week, including Indian Financial **SBI Life Insurance** (SBILIFE IN), Italian tire maker ChemChina-linked **Pirelli** (PIRC IM) or **Switch** (SWCH US), the Goldman Sachs-led U.S.-based operator of data centers.

IPOs traded (week: September 25, 2017)	Country
Camil Alimentos SA	Brazil
Charter Court Financial Services Group OLC	Britain
Deciphera Pharmaceuticals Inc	U.S.A.
Grupo Traxion SAB de CV	Mexico
Infront ASA	Norway
Nightstar Therapeutics PLC	Britain
NuCan PLC	Britain
PQ Group Holdings Inc	U.S.A.
Precision Tsugami China Corp Ltd	China
Roku Inc	U.S.A.
Rovio Entertainment Oy	Finland
RYB Education Inc	China
ZhongAn Online P&C Insurance Co Ltd	China
IPOs expected (week: October 1, 2017)	Country
Balco Group AB	Sweden
Gima TT SpA	Italy
Pirelli & C. SpA	Italy
Rhythm Pharmaceuticals Inc.	U.S.A.
SBI Life Insurance Co. Ltd.	India
Switch Inc.	U.S.A.