

◆ Think GROWTH – Think IPOX

- IPOX Indexes rise anew, IPOX Europe leads gains. Ahead of the GE-linked Synchrony Financial IPO, U.S. traded Consumer Finance IPOs/Spin-Offs slump.
- IPOX-linked First Trust U.S. IPO ETF (FPX) rises.
- Few firms start trading during shortened U.S. trading week, little deal flow seen during upcoming week.

[Week: 06/02/2014]

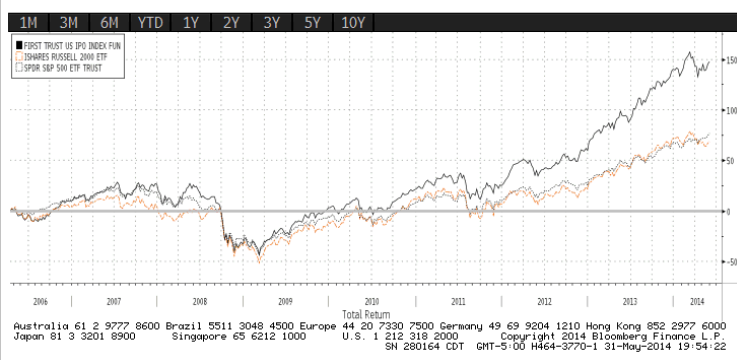
IPOX Indexes rise anew, IPOX Europe leads gains. Ahead of the IPO of Synchrony Financial, Consumer Finance stocks slump:

All main IPOX Indexes gained for another week as global stock markets remained firm into month end. On the global level, the IPOX Global 30 (IPGL30) – proxy for the performance of the largest and super-liquid IPOs and Spin-Offs over the past four years – gained +1.58% to +2.19% YTD, beating benchmark MSCI World (MXWD) by +83 bps. Amid heavy European IPO deal flow, focus amongst the IPOX Regional Indexes was on the relative and absolute surge of the IPOX Europe Indexes (IXTE, IPXUJPEU) with the IPOX Europe 30 (IXTE) extending the YTD gains vs. benchmark STOXX 50 (SX5P) by a massive +131 bps. to +303 bps. YTD. Notable upside focus amongst individual firms was on French cable broadband provider and IPOX heavyweight 11/2003 IPO Numericable Group (NUM FP: +13.35%) on upgrades and perceived takeover speculation. Ahead of the IPO roadshow for the GE-linked IPO of Synchrony Financial, the slew of recent U.S. IPOs in the sector slumped anew with USDbn 11.3 Ally Financial (ALLY US: -2.16%), USDbn 6.86 Santander Consumer USA (SC US: -7.40%) or USDbn 6.68 Navient Corp. (NAVI US: -1.68%) all reaching fresh post-IPO lows.

IPOX Returns (%) (select Price)	Week	2013	YTD 14
Exposure: Global			
IPOX Global 50 (IPGL50)	+0.47	+26.54	+0.74
IPOX Global 30 (IPGL30) (super liqd)	+1.58	+33.65	+2.19
MSCI World (MXWD)	+0.75	+20.25	+3.18
Exposure: United States			
IPOX-100 U.S. (IPXO)	+0.92	+46.99	+2.18
IPOX-30 U.S. (IPXT)	+1.12	+44.01	+4.61
S&P 500 (SPX)	+1.21	+29.60	+4.07
Exposure: Europe			
IPOX Europe 50 (IPXUJPEU)	+1.86	+20.78	+5.77
IPOX Europe 30 (IXTE)	+1.52	+22.68	+6.92
Stoxx 50 (SX5P)	+0.21	+13.26	+3.89
Exposure: Asia-Pacific			
IPOX Asia-Pacific 30 (IPTA)	+0.51	+19.85	-1.08
MSCI Asia-Pacific (MXPC)	+1.39	+2.87	-1.33
Exposure: China			
IPOX China 20 (CNI)	-0.14	+14.77	-8.36
IPOX China Composite (IPXUCHCP)	+0.62	+16.98	-4.97
Hang Seng Enterprise Index (HSCEI)	+1.27	-5.42	-5.24

a drug trial. 58/100 portfolio holdings traded unchanged or higher on the week, with the average (median) equally-weighted constituent gaining +0.20% (+0.36%) on the week, significant less than when compared to the applied market-cap weighted IPOX U.S. 100 Index, the basis for the ETF.

Security	Currency	Price Change	Total Return	Difference	Annual Eq
1. FPX US Equity	USD	130.65%	147.54%	78.53%	11.79%
2. I:M US Equity	USD	51.37%	69.00%		6.67%
3. SPY US Equity	USD	49.70%	76.67%	7.67%	7.25%



IPOX-linked U.S. IPO ETF (FPX) gains during May: Linked to the USDbn 967.30 IPOX U.S. 100 (IPXO), the First Trust U.S. IPO ETF (FPX) gained +0.87% to +2.37% YTD last week, recording a rise of +1.71% during May. Notable movers included USDbn 4.96 Palo Alto Networks (PANW US: +11.82%) on positive earnings and patent settlement. USDbn 1.74 Clovis Oncology (CLVS US: -10.16%) slumped on a mixed result of

Companies “Going Public” last week:

Company Name	Identifier	Return (%)
7-Eleven Malaysia Holdings Bhd	SEM MK	+10.87
Hengxing Gold Holding Co Ltd	2303 HK	+3.12
NAHL Group Ltd	NAH LN	+0.25
PrairieSky Royalty Ltd	PSK CN	+29.46

During the shortened U.S. trading week, just 4 notable deals commenced trading on an accessible exchange last week with the average (median) IPO gaining +10.93% (+7.00%) based on the difference between the final offering price and the week’s close. Dividend heavy CADbn 4.71 Encana Spin-Off PrairieSky Royalty Ltd (PSK CN) was the big winner, underpinning the relentless momentum for IPOs in the energy sector in North America.

Notable Global IPOs lined up:

Company Name	Identifier	IPO Date
Arista Networks Inc.	ANET US	06/05
Qingdao Port International	6198 HK	06/06

Only few IPOs worldwide are expected to launch during the upcoming week, with a focus on U.S. small-cap communications equipment maker Morgan Stanley-led Arista Networks (ANET US) and the H.K. H-share IPO of Chinese port operator Qingdao Port International (6198 HK).