

◆ Think GROWTH – Think IPOX

- Weakness in China-linked exposure pressures most IPOX Strategies, IPOX U.S. heavyweights support.
- USDm 532 First Trust IPOX U.S. 100 ETF (FPX) rises, bucking weakness in U.S. small- and mid-caps.
- After Alibaba (BABA US), slew of U.S. deals lined up.
- IPOX Strategies now track Alibaba Group (BABA).

[Week: 09/22/2014]

Weakness in China-linked exposure pressures most IPOX Strategies, U.S. heavyweights support. The key non-U.S. focused IPOX Strategies fell last week, with the mega-cap heavy super-liquid IPOX Global 30 (IPGL30) shedding -0.24% to 8.15% YTD, underperforming benchmark MSCI World (MXWD) by -72 bps. Declines on the global level were driven by a slump in China-linked/Developed Asian exposure with H.K. jewelry retailer Chow Tai Fook (1929 HK: -8.22%), H.K.-traded Prada (1913 HK: -5.50%) or property developer Swire Properties (1972 HK: -3.44%) displaying significant downside. More weakness was mitigated by relative strength in the U.S.-traded IPOX heavyweights, including refiners Phillips 66 (PSX US: 3.29%) and Marathon Petroleum (MPC US: 2.05%), hospital operator HCA Holdings (HCA US: 2.68%) or Chicago-based drug maker Abbvie (ABBS US: 2.04%). Stand-outs amongst individual firms included Japanese cosmetics product producer Pola Orbis (4927 JP: 7.62%), which closed at a fresh all-time high after posting strong corporate results. The firm is a portfolio holding in the IPOX Asia-Pacific (IPTA).

USDm 532 First Trust IPOX U.S. 100 ETF (FPX) rises, bucking weakness in U.S. small- and mid-caps. Linked to the IPOX U.S. 100 (IPXO), the 5-star ETF gained 0.36% to 10.01% YTD, remaining relatively insulated from the big weakness in U.S. small- and mid-caps with the ETF linked to the Russell 2000 (IWM) declining by -1.21% to -0.57% YTD on the week. Amongst the smaller firms, focus was on high-beta second-tier tech exposure with communications equipment maker Ubiquity Networks (UBNT US: -9.64%), social networker Yelp (YELP US: -7.20%) or infrastructure software maker Splunk (SPLK US: -4.76%) falling sharply. Clothing retail store operator 10/2013 IPO Burlington Stores (BURL US: 5.67%) closed at yet another weekly post-IPO high. In all, just 36/100

The performance of the First Trust IPOX U.S. 100 (FPX):



Source: Bloomberg, IPOX Schuster LLC

IPOX Strategies Returns (%)	Week	2013	YTD 14
IPOX Global 50 (IPGL50)	-0.48	26.54	4.86
IPOX Global 30 (IPGL30)	-0.24	33.65	8.15
IPOX International (IPXI)	-0.72	22.67	1.98
MSCI World (xUS) (MSDUWXUS)	-0.02	17.78	0.16
IPOX U.S. 100 (IPXO)	0.40	46.99	9.46
IPOX U.S. 30 (IPXT)	0.45	44.01	12.35
IPOX Europe 30 (IXTE)	0.90	22.68	6.00
IPOX Asia-Pacific 30 (IPTA)	-2.00	19.85	1.72
IPOX China 20 (CNI)	-2.40	14.77	-2.57
Hang Seng Enterprise (HSCEI)	-2.10	-5.42	-0.30

finished the week in negative territory, with the average (median) equally-weighted holding gaining 0.20% (0.57%), in line with the applied market-cap weighted IPOX U.S. 100 (IPXO), the funds benchmark.

Key IPOs traded (Week: 09/15/2014):

Company Name	Identifier	Return (%)
Alibaba Group	BABA US	38.07
CAR Inc.	699 HK	28.94
Civitas Solutions	CIVI US	-2.29

Three significant IPOs commenced trading last week, with spotlight on the successful debut of USDbn 231.33 Alibaba Group (BABA) (38.07%), the largest IPO ever to take place in the United States.

Key IPOs expected to trade (Week: 09/22/2014):

Company Name	Identifier	IPO Date
Citizens Financial Group Inc.	CFG US	09/24
Smart and Final Stores Inc.	SFS US	09/24
Cyber -Ark Software Ltd.	CYBR US	09/24
Vitae Pharmaceuticals Inc.	VTAE US	09/24
Medley Management Inc.	MDLY US	09/24
Cone Midstream Partners LP	CNNX US	09/24
Snowbird AG	8S9 GR	09/24
Travelport Worldwide Ltd.	TVPT US	09/25
Vantage Energy Inc.	VEI US	09/25
Civitas Therapeutics Inc.	CVTS US	09/25
Jashili Group Ltd.	1285 HK	09/25
ELL Environmental Holdings	1395 HK	09/26

At least 12 significant IPOs are set to take place during the upcoming week with focus on U.S. banking group Citizens Financial Group (CFG US) and travel industry technology provider Travelport Worldwide Ltd. (TVPT US).

IPOX Strategies now track Alibaba (BABA US): Following the Q3 2014 IPOX rebalancing, Chinese e-commerce firm Alibaba Group (BABA US) is now tracked in the respective IPOX Strategies within the context of a diversified basket of other significant recent IPOs and Spin-offs.