

## ◆ Think GROWTH – Think IPOX®

- Following U.S. Futures & Options expiration, **IPOX Indexes** fall sharply, some underperform benchmarks.
- Global IPO action: Deals rise as IPO window opens.
- IPO market tested as at least 16 deals line up for trading.

Following U.S. Futures & Options expiration, **IPOX Indexes** fall sharply, some underperform benchmarks. The IPOX Indexes fell sharply following U.S. Futures and Option expiration, as FED uncertainty and a big fall in U.S. biotech pushed risk higher. On the global level, e.g., the USD trillion 1.3 **IPOX Global 50** (IPGL50) – diversified benchmark for the performance of the largest and most liquid accessible global IPOs and Spin-offs over the past 4 years – fell -3.46% to -3.53% YTD, lagging the benchmark by -99 bps. Weakness extended across the **IPOX Regional Indexes** universe with declines in health care/biotech holdings pressuring the **IPOX U.S. Indexes** (IPXO, IPXT) beyond the benchmarks. For example, the **IPOX U.S. 100** (IPXO), underlying for the USD million 790 **First Trust U.S. IPO ETF** (FPX) fell -4.14% to -1.00% YTD, leaving the index just +520 bps. ahead of benchmark **S&P 500** (SPX) YTD. Substantial weakness in drug maker IPOX heavyweight **AbbVie** (ABBV US: -8.95%), Covidien Spin-off **Mallinckrodt** (MNK US: -16.63%) or biotechs **Clovis Oncology** (CLVS US: -18.39%) or **Ultragenyx Pharma** (RARE US: -27.56%) contributed to the underperformance. Recent additions payment processors **Transunion** (TRU US: +3.48%) and **PayPal** (PYPL US: +2.48%) rose against the trend, while child care and early education service provider **Bright Horizon Family Solutions** (BFAM US: +1.46%) closed at a weekly post-IPO high. In all, 87/100 stocks in the **IPOX U.S. 100** (IPXO) fell on the week, with the average (median) equally-weighted holding shedding -4.61% (-3.40%), more than the applied market-cap weighted index. Other **IPOX Regional Indexes** closed well supported, with continued focus on the EUR billion 214 **IPOX Europe** (IXTE), which declined by -0.84% to +13.82% YTD, leaving the portfolio a massive +1415 bps. ahead of the European benchmark. Upside focus remained on German real estate firms, with **IPOX Europe** constituent **LEG Immobilien** (LEG GY: +4.06%) receiving a takeover offer over the past week-end. We note last week's big relative strength in UK-based online food delivery service operator **Just Eat** (JE LN: +5.01%) vs. Chicago-based **GrubHub** (GRUB US: -11.52%)

Global IPO action: Deals rise as IPO window opens. Ahead of a testing week for global IPOs, 2 deals priced last week, all recording substantial initial gains based on the difference between the final offering price and the week's close. For example, after reducing its initial valuation by ca. 10% as a result of the turbulence in the markets, **On the Beach Group** (OTB LN: +20.11%), one of the UK's leading online retailers of beach holidays, finished the first week of trading with substantial gains. Initial strength also extended to Korea-based infrastructure software provider **I Controls** (039570 KS: +8.75%).

IPO market tested as at least 16 deals line up for trading. Following another week of turmoil in global equities, at least 16

[ Week: 09/28/2015 ]

IPOX Returns (%) (P)	Week	Aug 15	YTD 15
<b>Exposure: Global/International (xUS) (USD)</b>			
IPOX Global 50 (IPGL50)	-3.46	-7.78	-3.53
IPOX Intern. (IPXI)*	-2.85	-8.34	-11.38
<b>Exposure: United States (USD)</b>			
IPOX 100 U.S. (IPXO)*	-4.14	-7.67	-1.00
IPOX 30 U.S. (IPXT)	-3.80	-6.70	0.67
<b>Exposure: Europe (EUR)</b>			
IPOX Europe (IXTE)	-0.84	-6.31	13.82
IPOX Nordic (IPND)	-1.80	-5.88	12.29
<b>Exposure: Asia-Pacific (Developed) (USD)</b>			
IPOX APAC 30 (IPTA)	-2.61	-6.24	-4.28
<b>Exposure: China (USD) (x A-Shares)</b>			
IPOX China 20 (CNI)	-5.74	-14.09	-17.95

\*Basis for Exchange-Traded Products (ETPs)

Select IPOs (last week):	ID:	Change (%)
On the Beach Group PLC	OTB LN	20.11
I Controls Inc	039570 KS	8.75

IPOs are set to commence trading during the upcoming week. Top of the list are 2 German-domiciled deals: The IPO of **Bayer** Spin-off chemicals maker **Covestro AG** (offering up to 94.3 million shares at a wide price range between EUR 26.5-35.5) and P/E-backed German online job marketplace operator **Scout24** (G24 GR). Movie theater operator **IMAX China** (1970 HK) adds to the list of IPOs in Asia-Pacific. Amid the slump in U.S. biotech, another 10 firms (7 in health care) are set to commence trading in the U.S., with **BAML** and **GS**-led surgery facilities operator **Surgery Partners** (SGRY) and **CS** and **MS**-led consumer staple **Performance Food Group** (PFGC US) being the most notable.

IPOs (upcoming week):	ID:	Sector
Boxlight Corp	BOXL US	Info Technology
Covestro AG	N/A GR	Materials
Cerecor Inc	CERC US	Health Care
Edge Therapeutics Inc	EDGE US	Health Care
FDB Holdings Ltd	8248 HK	Financials
Fuling Global Inc	FORK US	Cons. Discretionary
IMAX China Holding Inc	1970 HK	Cons. Discretionary
Mirna Therapeutics Inc	MIRN US	Health Care
Novocure Ltd	NVCR US	Health Care
Performance Food Group	PFGC US	Cons. Staples
Regina Miracle	2199 HK	Cons. Discretionary
Scout24 Holding GmbH	G24 GR	Info Technology
Strongbridge Biopharma	SBBP US	Health Care
Surgery Partners Inc	SGRY US	Health Care
Symetis SA	N/A SW	Health Care
SynCardia Systems Inc	TAHT US	Health Care