

The IPOX® Monthly Review

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◆ THINK IPO – THINK IPOX®

- After surging during October, **IPOX Indexes** trade well supported, **IPOX China** (CNI), **IPOX 100 U.S.** (IPXO) and **IPOX Nordic** (IPND) significantly outperform.
- Big divergence in the cross-section of returns.

After surging during October, **IPOX Indexes** trade well supported, **IPOX China** (CNI), **IPOX U.S.** (IPXO) and **IPOX Nordic** significantly outperform. The key **IPOX Indexes** maintained their strong momentum from the previous month and traded well during November. On the global level, e.g., the **IPOX Global 50** (IPGL50) – gauge for the performance of the largest global IPOs and Spin-Offs during the past 4 years – declined by -0.88% to 1.50% YTD, less than when compared to the global benchmark. Relative and absolute performance within the **IPOX Regional Indexes** universe was mixed: While the **IPOX Europe** (IXTE) and **IPOX Asia-Pacific** (IPTA) lagged the market during last month by between -109 bps. (IPTA) and -128 bps. (IXTE), the **IPOX China** (CNI), **IPOX 100 U.S.** (IPXO) and **IPOX Nordic** (IPND) jumped relative to the benchmarks. Top of the list ranked the “red-hot” **IPOX Nordic** (IPND). The index - which pools the largest and best performing IPOs in the Nordic Region into a separately tradable liquid basket of stocks - extended its YTD gain by a massive 7.53% to 23.31%, 1414 bps. ahead of the local benchmark YTD. Significant relative gains were also recorded by the **IPOX China** (CNI), **IPOX 100 U.S.** (IPXO) and **IPOX International** (IPXI), benchmark for the NASDAQ-traded **First Trust International IPO ETF** (FPXI).

Big divergence in the cross-section of returns. Amid earnings season and continued corporate action activity, the divergence in individual stock returns within select IPOX Portfolios was substantial during the month. Here, notable was the big upside in 07/14 IPO China-based, H.K.-traded **Cogobuy Group** (400 HK: 36.32%), operator of an e-commerce platform for electronic goods in China, followed by firms based in Europe’s Nordic Region, including Oslo-traded maritime transportation solutions provider 11/13 IPO **BW LPG** (BWLPG NO: 29.98%) or Stockholm-traded 11/14 IPO **Lifco** (LIFCOB SS), a medical equipment maker. **IPOX 100 U.S.** (IPXO) exposure with notable upside during last month included health care services provider 11/14 IPO **PRA Health Sciences** (PRAH US: 29.22%) and hard-hit chipmaker 10/12 IPO **Ambarella** (AMBA US: 27.04%). Large-cap semiconductor maker **NXPI Semiconductor** (NXPI US: 19.29%) recovered lost group in tandem with **Freescale** (FSL US: 16.18%) after the two won approval from China’s Ministry of Commerce to finish their merger – a last hurdle for the deal. Continental European exposure recording significant gains during November included personal hygiene products maker private-equity-backed 06/14 IPO **Ontex Group** (ONTEX BB: 20.34%) and 06/14 IPO European exchange operator ICE-Spin-off **Euronext** (ENX FP: 17.77%). IPOX holdings recording

[November 2015]

IPOX Returns (%) (P)	Nov15	Oct15	YTD15
Exposure: Global/International (xUS) (USD)			
IPOX Global 50 (IPGL50)	-0.88	8.16	1.50
IPOX Intern. (IPXI)*	-1.55	9.32	-6.07
Exposure: United States (USD)			
IPOX 100 U.S. (IPXO)*	0.64	6.93	4.14
IPOX 30 U.S. (IPXT)	-0.03	8.60	7.11
Exposure: Europe (EUR)			
IPOX Europe (IXTE)	0.95	4.67	17.67
IPOX Nordic (IPND)	7.53	5.08	23.31
Exposure: Asia-Pacific (Developed) (USD)			
IPOX APAC 30 (IPTA)	-2.33	5.61	-1.99
Exposure: China (USD) (x A-Shares)			
IPOX China 20 (CNI)	-1.90	12.05	-10.25

*Basis for Exchange-Traded Products (ETPs), (P) = Index Return ex. Dividends.

Best IPOX performers Nov15	ID:	Change (%)
COGOBUY GROUP (IPTA)	400 HK	36.32
BW LPG (IPND)	BWLPG NO	29.98
PRA HEALTH SCIENCES (IPXO)	PRAH US	29.22
AMBARELLA (IPXO)	AMBA US	27.04
DIPLOMAT PHARMACY (IPXO)	DPLO US	24.97
LIFCO (IPND)	LIFCOB SS	21.29
ONTEX GROUP (IXTE)	ONTEX BB	20.34
NXP SEMICONDUCTOR (IPXO)	NXPI US	19.29
PBF ENERGY (IPXO)	PBF US	19.09
EURONEXT (IXTE)	ENX FP	17.77

large losses included 11/11 IPO U.S. cancer drug maker **Clovis Oncology** (CLVS US: -68.52%) which crashed after the FDA sought more data on its key drug. Other notable movers included 07/13 Siemens Spin-off **Osram Licht** (OSR GY: -25.32%) and miners 05/15 Spin-off **South 32** (S32 AU: -18.77%) and U.S.-traded 10/13 IPO **Antero Resources** (AR US: -12.56%).

Worst IPOX performers Nov15	ID:	Change (%)
CLOVIS ONCOLOGY (IPXO)	CLVS US	-68.52
OSRAM LICHT (IXTE)	OSR GY	-25.32
ENERGIZER HOLDINGS (IPXO)	ENR UN	-21.04
SOUTH32 (IPTA)	S32 AU	-18.77
GOPRO (IPXO)	GPPO US	-18.40
SHOPIFY (IPXO)	SHOP US	-18.25
AUTOHOME (CNI)	ATHM US	-16.16
RESTORATION HARDWARE (IPXO)	RH US	-12.82
ANTERO RESOURCES (IPXO)	AR US	-12.56
VITACO HOLDINGS (IPTA)	VIT AU	-12.54

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- IPOX-linked **First Trust U.S. IPO ETF (FPX)** extends October gains, maintains strong YTD asset flows.
- Significant number of global IPOs price, International markets in focus.

[November 2015]

IPOX-linked **First Trust U.S. IPO ETF (FPX)** extends October gains, maintains strong YTD asset flows. IPOX-linked investment products mirrored the strength in the underlying **IPOX Indexes** and recorded solid gains during the month. E.g., the 5-star **First Trust U.S. IPO ETF (FPX)** rose 0.75% to 4.83% YTD and extended its relative gain since inception in 2006 to a massive 8804 bps. vs. the ETF linked to the **S&P 500 (SPY)** and 10303 bps. vs. the ETF linked to the **Russell 2000 (IWM)**. Fund

IPOX® U.S.-linked Investing since 04/2006:



assets rose to USD million 830, representing a YTD increase of 45%, far above the industry's average. Amid a surge in trading volume, relative upside was also recorded by the IPOX-linked **First Trust International ETF (FPXI)**, a NASDAQ-traded ETF launched in November 2014.

Significant number of global IPOs price, International markets in focus. At least 90 notable global IPOs and Spin-Offs commenced trading during November, with the average (median) equally-weighted IPO gaining 10.07% (1.37%) based on the difference between the final offering price and the months' close. Having priced conservatively, all global privatization IPOs of the month, including USD billion 53.0 **Japan Post Bank** (7182 JP: 20.00%), USD billion 51.2 **Japan Post Holdings** (6178 JP: 36.21%), USD billion 15.8 Dutch Financial **ABN Amro Group** (ABN NA: 12.00%) and USD billion 10.7 **Japan Post Insurance** (7181 JP: 52.73%) debuted strongly, with firms leaving a combined USD billion 4.01 on

Largest IPOs Nov15	ID:	Change (%)*
Japan Post Bank Co Ltd	7182 JP	20.00
Japan Post Holdings Co Ltd	6178 JP	36.21
ABN AMRO Group NV	ABN NA	12.00
Japan Post Insurance Co Ltd	7181 JP	52.73
Dali Foods Group Co Ltd	3799 HK	-2.67
Hydro One Ltd	H CN	10.00
Amundi SA	AMUN FP	5.96
InterGlobe Aviation Ltd	INDIGO IN	45.16
Square Inc	SQ US	33.78
Match Group Inc	MTCH US	20.67
Hapag-Lloyd AG	HLAG GR	-0.40
China International Capital	3908 HK	8.37
Dometic Group AB	DOM SS	13.13
Caregen Co Ltd	214370 KS	-8.00
Coffee Day Enterprises Ltd	CCD IN	-22.15

*defined as the difference between the final offering price and the close of the month.

the table, representing USD billion 36.7 based on total shares outstanding. In the cross-section, just 17% of the respective deals went public in the United States, underlying the significant slow-down in U.S. IPO deal flow at the expense of foreign IPOs following the U.S. market correction in August/September. Deals in the U.S. included low-float

Best Performing IPOs Nov15	ID:	Change (%)*
Voyager Therapeutics Inc	VYGR US	79.93
PWR Holdings Ltd	PWH AU	78.00
Advanced Accelerator Applic.	AAAP US	65.25
Jinan Acetate Chemical Co	4763 TT	52.78
Japan Post Insurance Co	7181 JP	52.73
InterGlobe Aviation Ltd	INDIGO IN	45.16
Attendo AB	ATT SS	40.00
Jeju Air Co Ltd	089590 KS	36.50
Japan Post Holdings Co Ltd	6178 JP	36.21
Yonwoo Co Ltd	115960 KS	34.92
Square Inc	SQ US	33.78
IDP Education Ltd	IEL AU	29.43
McCarthy & Stone PLC	MCS LN	25.42
Match Group Inc	MTCH US	20.67
Japan Post Bank Co Ltd	7182 JP	20.00

*defined as the difference between the final offering price and the close of the month.

payment processor **Square (SQ US)**, discounted by 30% from pre-IPO valuations, dating website Tinder operator **Match Group (MTCH US)**, specialty French pharma maker **Advanced Accelerator (AAAP US)** or apparel manufacturer **Duluth Holdings (DLTH US)**.