

## ◆ Summary

Global stocks rose on solid U.S./German data, positive U.S. bank action, a smooth FED and Futures & Options expiration. IPOX U.S. - leading for much of the year - underperformed substantially. Amid strong risk appetite, U.S. IPOs debuted strongly. Diversified global IPO deal-flow in the pipeline.

## ◆ Highlights

- Most IPOX Strategy Indexes rise but underperform. IPOX U.S. indicates more caution ahead for U.S. benchmarks:** Despite continued relative weakness in China-lined exposure, the *IPOX Global 50* (IPGL50) rose anew, adding +1.47% to +18.87% YTD, underperforming benchmark MSCI World (MXWD) for a second week in a row. With the exception of IPOX China (CNI) and IPOX Asia-Pacific (IPTA), (relative) losses extended across the strategy index universe: In the *United States*, e.g., the IPOX U.S. IPO and spin-off ETF (Ticker: FPX) rose just +0.87% to +18.62% YTD, vs. +2.28% for benchmark Russell 3000 (ETF: IUV), its biggest underperformance this year. Relative weakness was driven by lackluster performance in the IPOX heavyweights including pipeline operator KMI (KMI: -1.79%), payment processor Visa (V: -0.42%) or car maker General Motors (GM: -0.20%). Ahead of the first notable European IPO deal flow in 2012, the *IPOX Europe* (IPXUJPEU: +1.16% to +9.11%) also lagged the benchmarks. The *IPOX Asia-Pacific 30* (IPTA: +2.59% to +21.06%) benefited from big momentum in hard-hit Japanese Financial Dai-ichi Life (8750 JP: +3.18%) and H.K. insurer AIA Group (1299 HK: +3.84%), while the key Hong Kong casino operators Wynn Macau (1128 HK: +6.22%), Sands China (1928 HK: +9.60%) closed the week at a post-IPO record. In *the IPOX Emerging Markets* Universe (IPXUEM), we note the continued strong relative performance in the IPOX China universe (CNI and IPXUCHCP) with the key *IPOX China 20 (CNI)* gaining +0.56% to +16.20% YTD, vs. another week of losses for the Hang Seng China Enterprise Index (HSCEI) and the FTSE China 25 Index (XIN0I).

### Key IPOX Strategies Returns YTD 2012:

Ticker (BBG/Reuters)	Return Week (%)	YTD 2012 (%)	Name
IPGLC (USD)	+1.05	+16.99	IPOX Global Comp
IPGL100 (USD)	+1.15	+17.33	IPOX Global 100
IPGL50 (USD)	+1.47	+18.87	IPOX Global 50
IPGL30 (USD)	+1.56	+16.32	IPOX Global 30
IPXO (USD)	+0.87	+18.62	IPOX U.S. 100
IPXT (USD)	+1.19	+16.69	IPOX U.S. 30
IXTE (EUR)	+1.02	+7.41	IPOX Europe 30
IPXUJPEU (EUR)	+1.16	+9.11	IPOX Europe 50
IPTA (USD)	+2.59	+21.06	IPOX Asia-Pac. 30
IPXUEM (USD)	+0.61	+19.69	IPOX Emerging Mkts.
IPXUBRIC (USD)	-1.14	+19.90	IPOX BRIC 25
IPXUCHCP (USD)	+0.64	+18.06	China IPOX Comp.
CNI (USD)	+0.56	+16.20	China IPOX 20
IPXUCAUP (USD)	-1.91	+10.82	China IPOX Comp.
IPXULATT (USD)	-1.53	+22.97	IPOX LatAm 20
IPXK30K (KRW)	+0.46	+2.67	IPOX Korea 30

# [ Week 03/19/12 ]

### • Most significant IPOs launched (week 03/12/12):

Company	Ticker	Return / IPO (%)
Allison Transmission Holdings	ALSN US	5.38%
Demandware Inc	DWRE US	55.00%
LIFENET INSURANCE CO	7157 JP	-2.00%
M/A-COM Technology Solutions	MTSI US	13.00%

15 global IPOs commenced trading last week with the average (median) IPO gaining a strong +37.01% (+32.43%) based on the final offering price on the week. While the China A Shares IPO market remained hyperactive, accessible focus was on U.S. IPOs with the respective deals trading in line with expectations.

### • Week Ahead (03/19/2012): Strong global deal flow

Company	Code	Country	Lead Manager
BATS Global	BATS US	U.S.A.	CITI, CS
Caesar Stone Sdot	CSTE US	U.S.A.	BAIFIN, BCLY
DKSH Holding AG	DS5 SW	CH	BEREN, CS
ExactTarget Inc	ET US	U.S.A.	DB, SNW
Kinetic Mines	1277 HK	H.K.	HSBC, UBS
Trigiant Group Ltd	1300 HK	H.K.	FSCAP, SINO
Vantiv Inc	VNTV US	U.S.A.	CS, DB, GS
Vipshop Holdings	VIPS US	U.S.A.	DB
Ziggo BV	ZIGGO NA	NL	DB, JPM, MS

With the European IPO window finally opening, a diversified mix of companies are in the global IPO pipeline. Amongst the stand-outs are Swiss-based market-expansion service provider *DKSH Holding AG (DS5 SW)* - with insiders seeking to sell around 30% of the company for CHF 821m - and Dutch cable TV provider *Ziggo NV (ZIGGO NA)*, the largest European IPO since last year's stock market listing of Spain's Financial and IPOX member Bankia SA (BKSIA SM). Ziggo's pricing is set to benefit from the strong performance in German cable operator Kabel Deutschland (DK8 GY) which has more than doubled since its 03/10 IPO. Amid the lackluster performance in global mining stocks, Mongolian Miner *Kinetic Mines* (1277 HK) seeks to raise HKD 1.4bn for a 11% stake on the H.K. stock exchange. Pure Private Equity/M&A-type IPOs in the U.S. include the IPO of payment processor *Vantiv (VNTV US)* - seeking to raise USD 530m for a 23% stake in the company - while proceeds from the sale of shares in Kansas-city based global exchange operator *BATS Global (BATS US)* and Israel-domiciled quartz- kitchen hardtop maker *Caesar Stone (CSTE US)* are also exclusively earmarked to go to selling shareholders/dividends. E-marketer *ExactTarget (ET US)* and China-based e-retailer *Vipshop (VIPS US)* are pure growth/tech-style IPOs with the respective risk/return profile with *Vipshops (VIPS)* set to benefit from the recently strong momentum for China-IPOs launched in the U.S.