

## ◆ Summary

U.S. stocks closed mixed, escaping big weakness in China-linked equity exposure. With IPOX U.S. reaching another historic high at the end of the week, most U.S. and European deals debuted successfully. U.S. IPOs continue to dominate the global deal calendar during this week.

## ◆ Highlights

- IPOX Strategy Indexes close mixed, IPOX U.S. at record high:** Renewed weakness in China-linked exposure pressured global benchmarks, with the *IPOX Global 50* (IPGL50) falling -1.10% to +17.56% YTD, exactly in line with benchmark MSCI World (MXWD). *The IPOX U.S.* was the stand-out last week, with the spread differential vs. Russell 3000 (IWV) reversing last week's losses: The IPOX U.S. IPO and spin-off ETF (Ticker: FPX) rose +0.49% to +19.20% YTD, vs. -0.49% for benchmark Russell 3000 (ETF: IWV). Relative strength was driven by a big week in the IPOX heavyweights pipeline operator Kinder Morgan Inc. (KMI: +4.75%), baby food maker Mead Johnson (MJN: +2.71%) or discount retailer Dollar General (DG: +5.46%) (on a big earnings beat). With the first notable European IPO deal flow YTD coming to market, the *IPOX Europe* (IPXUJPEU: -2.45% to +6.44%) fell in line with the benchmarks with global miner Glencore International (GLEN LN: -3.18%) and Spain's CaixaBank (CABK SM: -5.75%) leading decliners. A great week in just added 12/11 IPO Japanese/Korean gaming company Nexon (3659 JP: +14.96%) helped the *IPOX Asia-Pacific 30* (IPTA: -1.69% to +19.01%) to outperform the hard-hit Hang Seng (HSI: -3.05%). In the *IPOX Emerging Markets Universe* (IPXUEM), we note the big weakness in China-linked exposure across market capitalization and sectors. Decliners included Financials such as 7/10 IPO Ag Bank of China (1288 HK: -7.84%) or 11/09 IPO Evergrande Real Estate (3333 HK: -10.43%) and consumer stocks including cosmetics company 7/09 IPO Bawang International (1338 HK: -25.36%) and handbag retailer and 5/11 IPO Milan Station (1150 HK: -22.37%).

### Key IPOX Strategies Returns YTD 2012:

Ticker (BBG/Reuters)	Return Week (%)	YTD 2012 (%)	Name
IPGLC (USD)	-1.27	+15.51	IPOX Global Comp
IPGL100 (USD)	-1.17	+15.95	IPOX Global 100
IPGL50 (USD)	-1.10	+17.56	IPOX Global 50
IPGL30 (USD)	-1.04	+15.11	IPOX Global 30
IPXO (USD)	+0.49	+19.20	IPOX U.S. 100
IPXT (USD)	+0.86	+17.70	IPOX U.S. 30
IXTE (EUR)	-2.64	+4.58	IPOX Europe 30
IPXUJPEU (EUR)	-2.45	+6.44	IPOX Europe 50
IPTA (USD)	-1.69	+19.01	IPOX Asia-Pac. 30
IPXUEM (USD)	-2.35	+16.87	IPOX Emerging Mkts.
IPXUBRIC (USD)	-3.11	+16.17	IPOX BRIC 25
IPXUCHCP (USD)	-4.66	+12.56	China IPOX Comp.
CNI (USD)	-4.92	+10.48	China IPOX 20
IPXUCAUP (USD)	-2.40	+8.15	China IPOX Comp.
IPXULATT (USD)	-2.42	+19.99	IPOX LatAm 20
IPXK30K (KRW)	-0.77	+1.88	IPOX Korea 30

## [ Week 03/26/12 ]

### • Most significant IPOs launched (Week 03/19/12):

Company	Ticker	Return / IPO (%)
Caesar Stone Sdot Yam Ltd	CSTE US	0.09%
DKSH Holding AG	DKSH SW	3.33%
ExactTarget Inc	ET US	38.53%
Kinetic Mines and Energy Ltd	1277 HK	-4.76%
Trigiant Group Ltd	1300 HK	15.83%
Vantiv Inc	VNTV US	15.88%
Vipshop Holdings Ltd	VIPS US	-15.38%
Ziggo BV	ZIGGO NA	21.62%

20 global IPOs commenced trading last week with the average (median) IPO gaining +22.44% (+14.50%). While the U.S. (with the exception of notorious BATS) and European domiciled IPO deal flow debuted strongly, China online retailer and DB/GS-led Vipshop (VIPS: -15.38%) failed to benefit from the big momentum for IPOs in the U.S.

### • Week Ahead (03/26/2012): U.S. in Focus again

Company	Code	Country	Lead Manager
Annie's Inc	BNNY US	U.S.	JP Morgan
CafePress Inc	CPRS US	U.S.	JP Morgan
Cw Group Holdings	1322 HK	H.K.	Guotai Junan
Enphase Energy	ENPH US	U.S.	BAML, DB
GasLog Ltd	GLOG US	U.S.	CITI, JPM
Luca Technologies	LUCA US	U.S.	PJC, RJA
Millennial Media	MM US	U.S.	BCLY, GS
Regional Mgmt.	RM US	U.S.	BMO, JMP
Rexnord Holdings	RXN US	U.S.	BCLY, CS, DB
Vocera Comm	VCRA US	U.S.	Piper Jaffray

With many recent IPOs having conducted successful secondary offerings (LNKD, ZNGA, KORS, DNKN), more IPOs are in the U.S. IPO pipeline: Amongst the highlights are JPM-led profitable nutrition food maker *Annie's* (BNNY) seeking to raise ca. USD 60m for a 24% stake with proceeds going to selling shareholder. *CafePress* (CPRS) is an exciting e-commerce platform enabling customers to create, buy and sell a wide variety of customized and personalized products. While based in CA with manufacturing operations in LV/KY, the growing company aims to sell ca. 11% of the firm at around 1.6 times 2011 revenues for general corporate purposes. *Millennial Media* (MM) focuses on providing services/technology to optimize mobile advertising revenues. Underpinned by strong revenue growth, the prospectus values the firm at between 6-8 times 2011 revenues with proceeds for the 11% float going to the company. USD 1.7bn stagnant *Rexnord* (RXN) is the private equity/M&A deal of the week: The company seeks to redeem high-interest debt with most of its IPO proceeds. All other deals are Finance- (RM), Energy- (ENPH, GLOG, LUCA) or Telecom services-related (VCRA). Small-cap machines tool maker CW Group (1322 HK) is the only foreign/HK deal of the week.