

# The IPOX® Week

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## ◆ Think IPO – Think IPOX

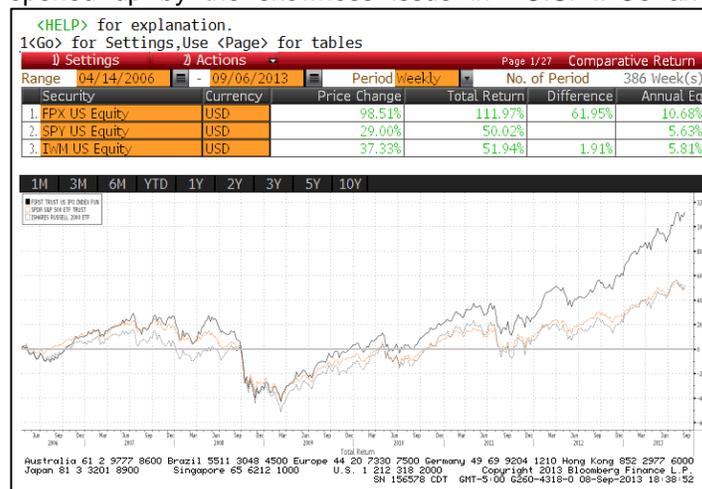
- IPOX Global 50 (IPGL50) closes at historic high, underpinned by surge in the IPOX Regional Indexes.
- IPOX-linked U.S. IPO and Spin-off ETF (ticker: FPX) outperforms for a third week.
- Pick-up in Global IPO deal flow seen.

**[ Week: 09/09/2013 ]**

**IPOX Global 50 (IPGL50), global IPO and Spin-off performance benchmark, closes at historic high:** Big gains in the IPOX Regional Indexes propelled the IPOX Global 50 (IPGL50) to a record close, with the index adding +1.84% to +12.98% YTD last week. The index, which currently captures USDtrillion 1.01 of total market capitalization, benefited from strength amongst U.S. domiciled constituents with U.S. Social Networker Facebook (FB US: +6.47%), U.S. car manufacturer General Motors (GM US: +6.07%), discount retailer Dollar General (DG US: +5.54%) or Pfizer Spin-off animal health medicines developer Zoetis (ZTS US: +5.01%) leading the way. China-linked exposure rose anew with Agricultural Bank of China (1288 HK: +4.80%) and New China Life (1336 HK: +4.02%) in focus.

IPOX Returns (%)	Week	Aug 13	YTD 13
IPOX Global 50 (IPGL50) (USD)	1.84	0.53	12.98
IPOX Global 30 (IPGL30) (USD)	2.61	1.28	17.81
MSCI World (MXWD) (USD)	2.10	-2.29	-9.38
IPOX U.S. 100 (IPXO) (USD)	2.23	-0.43	29.22
IPOX U.S. 30 (IPXT) (USD)	2.04	0.23	26.91
S&P 500 (SPX) (USD)	1.36	-3.13	16.06
IPOX Europe 50 (IPXUJPEU) (EUR)	2.45	0.17	11.64
IPOX Europe 30 (IXTE) (EUR)	2.16	-0.79	11.21
STOXX 50 (SX5P) (EUR)	2.55	-1.59	6.32
IPOX Asia-Pacific 30 (IPTA) (USD)	1.72	-0.88	9.72
MSCI Asia-Pacific (MXPC) (USD)	3.00	-1.68	9.39
IPOX China 20 (CNI) (USD)	2.03	5.72	0.91
IPOX China Cp. (IPXUCHCP) (USD)	2.15	2.26	0.43
Hang Sg Enterprise (HSCEI) (HKD)	5.18	1.73	-9.69

Assets under Management (AUMs) in the IPOX-linked First Trust U.S. IPO Fund (ticker: FPX) rose to a record: Launched in April 2006, the five-star Morningstar-rated ETF provides a turnkey asset allocation solution to opportunities opened up by the skewness issue in U.S. IPOs and



**IPOX-linked U.S. IPO ETF (ticker: FPX) remains buoyed, posts a third week of relative gains:** A sharp fall in IPOX heavyweight U.S. pipeline operator Kinder Morgan Inc. (KMI US: -7.14%), networking stock Palo Alto Networks (PANW US: -6.71%) or biotech Clovis Oncology (CLVS US: -6.57%) did little to stop the positive momentum in the IPOX-100 (IPXO) linked First Trust U.S. IPO Fund (FPX US). The underlying index closed at a fresh all-time high, outperforming for a third week in a row and beating the S&P 500 (SPX), Russell 2000 (RUT) or Nasdaq 100 (NDX) by +83, +23 or +29 bps, respectively. 76/100 index members rose on the week, with the average equally-weighted firm adding +1.69%, a significant -53 bps. less than the applied market-cap weighted index (IPXO), basis for the ETF. Re-balancing in the index is set for U.S. Futures&Options expiration Friday, September 20<sup>th</sup>, 2013.

Spin-offs, a unique set of companies not tracked separately in the benchmarks. Specifically, the fund captures the “going public” effect of the 100 largest, most liquid and typically best performing U.S. IPOs and Spin-offs by applying the IPOX Index technology. The size and associated equity turnover of the underlying fund universe is significant: For example, the fund’s universe of stocks currently equates to USDbn 800 of total market capitalization with an average (median) company size of USDbn 8.0 (3.6), representing 4.08% of the USDtrillion 19.63 Russell 3000 (RAY) or 46.24% of the USDtrillion 1.73 Russell 2000 (RUT). Total Daily Equity Turnover/Traded Value in the Fund’s constituents averaged USDbn 2.5 last week. The fund carries an expense ratio of 0.60% p.a.

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## ◆ Upcoming global IPO deal flow (Week: 09/09/2013):

Company	Code	Date	
Goldenmars Technology	8036 HK	09/09	Information Technology
The firm joins the list of micro-caps on the Hong Kong Stock Exchange YTD. It principally engages in the manufacturing and sale of dynamic random access memory (DRAM) modules and the trading of DRAM chips. The firm raised HKDm 60 for 25% of the company, pricing the deal at the top of the HKD 0.70-0.90 bookbuilding range.			
Lifestyle Properties Development	2183 HK	09/12	Financials
Jointly led by BNP Paribas and Platinum Securities, the firm is a small-cap property development and property investment company in Hong Kong and the PRC with a principal objective to achieve capital appreciation through the sale of properties at various stages of development. The firm has a three-year track record of increasing revenues and raised HKDm 204 for a 20.11% stake at HKD 1.98, in the lower half of the HKD 1.80-2.43 bookbuilding range.			
OCI Resources LP	OCIR US	09/12	Materials
The firm was formed by OCI Holdings to operate the trona ore mining and soda ash production business of OCI Wyoming. OCI Resources LP owns a controlling 40.98% general partner interest and 10.02% limited partner interest in OCI Wyoming, which is one of the largest and lowest cost producers of soda ash in the world with proven and probable reserves equivalent to 67 (trona) and 59 (soda ash) times its current annual production level. Led by Goldman Sachs and Citigroup, the firm seeks to raise USDm 105 for 51.15% in the middle of the USD 19-21 bookbuilding range. The firm intends to pay a minimum annual distribution of USD 2.00 per unit or 10% p.a. (assumed if priced in the middle of the range).			