

The IPOX® Week

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◆ Think IPO – Think IPOX

- IPOX Global Indexes trade mixed as Asia offsets decline in IPOX U.S. and IPOX Europe.
- Strong debut of key global IPOs continues.
- Busy global IPO pricing action extends to fifth week.

[Week: 10/14/2013]

IPOX Global Indexes trade mixed as rise in IPOX Asia Indexes offsets fall in IPOX U.S. and IPOX Europe:

Amid continued uncertainties over the course of U.S. debt talks resulting in elevated U.S. and European equity risk, the IPOX Regional Indexes diverged sharply last week. While the IPOX U.S. (IPXO and IPXT) and IPOX Europe (IXPJPEU, IXTE) declined, IPOX Asia (IPTA) and IPOX China (CNI and IPXUCHCP) rose, resulting in a mixed showing in IPOX Global. Specifically, the IPOX Global 50 (IPGL50) – which measures the performance of USDtrillion 1.06 market cap associated with the most significant global IPOs and Spin-offs over the past four years – closed unchanged, remaining +18.50% higher on the year. In the cross-section, select high dividend paying stocks lagged with USDbn 8.6 Telecom *Telefonica Deutschland AG (O2D GY: -5.37%)*, USDbn 72.4 U.S. drugmaker *Abbvie (ABBV US: -2.46%)* or USDbn 31.2 consumer staple *Kraft Foods (KRFT US: -1.63%)* in focus. Most of the Asian domiciled IPOX heavyweights led by USDbn 13.4 Macau casino operator *MGM China (2282 HK: +5.39%)*, USDbn 10.4 Japanese beverage producer *Suntory (2587 JP: +3.92%)* or HK-based jewelry retailer USDbn 15.1 *Chow Tai Fook (1929 HK: +2.63%)* rose.

Hottest Asia-Pacific Mid-Cap IPOX members surge anew:

Ahead of more gaming-related global IPOs, USDbn 3.8 game maker Tokyo-traded *COLOPL (3668 JP: +5.49%)* and USDbn 5.2 baby food maker *Biostime International (1112 HK: +3.89%)* extended their big jump from the previous week.

IPOX-linked U.S. IPO ETF (ticker: FPX) falls from record, trading volume and Assets under Management (AUMs) set new high:

The IPOX-100 U.S. (IPXO) - underlying index for the *U.S. IPO and Spin-off ETF (ticker: FPX)* – fell by -1.18% to +34.01% YTD, underperforming the benchmarks for the first time in four weeks. 57% of the 100 portfolio names fell, with the average (median) equally-weighted index member declining by -0.87% (-0.61%). As of Friday's close, the IPOX-100 U.S. (IPXO) pools USDbn 837.7 market cap associated with the largest 100 U.S. IPOs and Spin-offs over the past year with an average (median) size of USDbn 8.4 (USDbn 4.0). As market participants increasingly embrace IPOX, trading volume and AUMs in the associated *First Trust U.S. IPO and Spin-off Fund (ticker: FPX)* set a fresh record.

IPOX Returns (%) (select Indexes)	Week	Sep 13	YTD 13
IPOX Global 50 (IPGL50) (USD)	0.00	5.45	18.50
IPOX Global 30 (IPGL30) (USD)	-0.29	6.49	23.60
IPOX-100 U.S. (IPXO) (USD)	-1.18	5.63	34.01
IPOX-30 U.S. (IPXT) (USD)	-0.83	4.87	30.98
IPOX Europe 50 (IXPJPEU) (EUR)	-0.41	5.22	13.82
IPOX Europe 30 (IXTE) (EUR)	-0.51	4.89	13.01
IPOX Asia-Pacific 30 (IPTA) (USD)	0.87	5.87	17.02
IPOX China 20 (CNI) (USD)	1.20	4.48	8.72
IPOX China Cp. (IPXUCHCP) (USD)	2.31	5.85	9.58

Hot" U.S. IPO market spreads as global firms leave a combined USDbn 1.6 on the table:

Twelve global IPOs (non-REIT) priced last week, with the average (median) IPO gaining a big +32.98% (+18.13%) based on the difference between the final offering price and the week's close. The largest deal belonged to the privatization of *Royal Mail (RMG LN: +37.88%)*, the UK postal service. Retail and institutional investors flocked to the high-dividend paying stock, the biggest U.K. IPO since global miner *Glencore (GLEN LN)* went public in Mai 2011. Other IPOs included *Arrow Group (ARW LN: +9.76%)*, the U.K.-based firm offering receivables management solutions. *OzForex (OFX AU: +29.00%)*, an operator of a Foreign Exchange Trading Platform in Australia, became the biggest IPO on the Australian Stock Exchange YTD, raising AUDm 440m. While the average U.S. IPO remained in very strong demand, positive IPO sentiment extended to small-cap deal flow in Hong Kong. In all - when measuring the difference between amounts raised and priced at the week's close - companies left a significant USDbn 1.6 on the table.

Company Name	Identifier	Return (%)
LDR Holding	LDRH US	33.33
SFX Entertainment	SFXE US	-8.46
Stonegate Mortgage	SGM US	15.13
Antero Resources	AR US	21.14
MacroGenics	MGNX US	63.13
Nexteer Automotive	1316 HK	4.64
Yestaar	2393 HK	14.49
China Ludao Technology	2023 HK	15.00
RM Group	8185 HK	160.75
Arrow Group	ARW LN	9.76
Royal Mail	RMG LN	37.88
OzForex	OFX AU	29.00

More IPOs lined up for the upcoming week: A diversified set of significant global firms are scheduled to go public during the upcoming week:

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◆ Notable global IPO deal flow (Week: 10/14/2013):

Company	Code	Date	
ADMA Biologics, Inc.	ADMA US	10/17	Health Care
Oppenheimer-led late stage biopharmaceutical company with 36 full-time employees that develops, manufactures, and intends to market specialty plasma-based biologics for the treatment and prevention of certain infectious diseases. Recording no significant revenues, aims to raise between USDm 22.6-25.3 for a 31.23% stake in the firm with proceeds going to R&D.			
Plains GP Holdings, L.P.	PAGP US	10/17	Energy
Barclays-led Delaware limited partnership owning 21.1% limited partnership interest in AAP, which in turn owns all of the incentive distribution rights and an indirect 2% general partner interest in PAA, which is a large publicly traded limited partnership engaged in the transportation, storage, terminalling and marketing of crude oil and natural gas liquids in the U.S. Seeks to raise between USDbn 2.8-3.2. Shareholders are expected to receive an annual distribution rate of USD 0.5962, equivalent to a yield between 2.38%-2.71% p.a. for Class A common stock within the USD 22-25 range.			
Springleaf Holdings, Inc.	LEAF US	10/17	Financials
BoFA-led Springleaf is a well-established leading consumer finance company providing loan products to customers through a nationwide branch network and through iLoan, an internet lending division. The loss-making firm seeks to raise between USDm 300-340 for a 17.92% stake of the firm. 42% of shares are offered by initial shareholders while proceeds for the remainder is earmarked to repurchase outstanding indebtedness and for working capital purposes. The firm does not intend to pay a dividend.			
Veeva, Inc.	VEEV US	10/17	Information Technology
Morgan Stanley-led Veeva is a 593-employee-strong global provider of industry-specific, cloud-based software solutions for the life sciences industry. The firm seeks to sell Class A shares, raising between USDm 208-235 for around 10.67% of the firm. In the middle of the USD 16-18 range, net proceeds are USD 150.9 and earmarked to increase the financial flexibility and facilitate an orderly distribution of shares for selling shareholders. Revenue has surged an average of 110.89% over the past three years and the company is profitable. The IPO range values the firm at a steep 15.10-16.99 times revenues reported during the previous fiscal year.			
Voxeljet AG	VJET US	10/18	Industrials
Piper Jaffrey-led Germany-domiciled leading provider of high-speed, large-format 3D printers and on-demand parts services to industrial and commercial customers. Displaying strong year-over-year growth, the profitable firm seeks to sell a large 41.67%, seeking to raise between USDm 84.5-97.5 in the process. IPO incumbents include "red-hot" XONE. Proceeds are earmarked for R&D, to expand the on-demand service center in Europe as well as establishing a North American and Asian presence.			
Endurance International Group Holdings	EIGI US	10/18	Information Technology
Goldman Sachs-led established global provider of cloud-based solutions designed to help small- and medium-sized businesses, establish, manage and grow their businesses. Founded in 1997, the firm offers 18.19%, seeking to raise between USDm 328-374 with an unusually large portion of the proceeds (ca. 75%) earmarked to reduce debt with the remaining proceeds going to pay for a defined acquisition and working capital purposes. Within the indicated range, the strongly growing and profitable firm is valued at between 7.17-8.20 times revenues reported during the previous fiscal year.			
Westports Malaysia Bhd.	WMPRTS MK	10/18	Industrials
The firm is a key Malaysian port operator and is partly owned by Hong Kong billionaire Li Ka-shing. IPOX heavyweight Financial AIA Group (1299 HK) is amongst the nine cornerstone investors of the deal. The firm has sold 813.19m shares or 23.84% of the company at RM2.50 towards the top end of the range, equivalent of an initial market of USDbn 2.42. Proceeds are earmarked to support the further development Westport and growing the companies operations.			
Grupo Lala SAB	LALA MX	10/18	Consumer Staples
JP Morgan-led deal is Mexico's biggest dairy producer, having a market share exceeding 50% for milk and cream and 30% for pre-packaged cheese in Mexico. Lala is expected to offer 444m shares or 18.5% of the firm between USD 1.79-2.09, raising ca. USDm 860 in the process. The firm plans to use proceeds to expand its distribution network, decrease leverage and acquire other companies in Central America or abroad.			
Ngai Shun Holdings Limited	1246 HK	10/16	Industrials
The company extends the YTD list of micro-caps on the Hong Kong Stock Exchange. Established in 1983, the firm is a leading specialist piling contractor in Hong Kong and has substantially grown revenues and profits over the past years. Shares are offered between HKD 0.83-1.09, giving the firm a market cap between HKDm 332-436. The firm has paid out 77.0%, 6.3% and 32.0% of net profits attributable in form of dividends over the past three years.			
IGG Inc.	8002 HK	10/16	Consumer Discretionary
China Everbright Securities-led Hong Kong IPO is a fast-growing and profitable global online games developer and operator with headquarters in Singapore and regional offices in the U.S., China, and the Philippines. Generates a substantial portion of revenues from the sales of virtual items to their proprietary online game to a large and diversified user base around the world (70m players). Counts Temasek Holdings, Hearst Magazines International and IDG Capital Partners as investors, while IPOX holding Dynam Japan (6889 HK) is set to invest USDm 15 at the IPO. IPO incumbent include 9/13 Hong Kong IPO Foregame Holdings (484 HK). The initial IPO price band is set between HDK 2.40-2.91, implying an initial HKDbn 3.1-3.8 market cap. or between ca. 5.3-6.3 times expected 2013 revenues.			