

Summary

Stocks rose on continued short covering in global benchmarks during expiration week on signs of further global stimulus. IPOX traded well-supported while global IPO activity remained subdued. IPOX China exposure recorded another week of strong gains. Large Emerging markets IPO lined up.

Week 06/18/2012

Highlights

- Key IPOX Indexes firm as U.S., Asia lead rally in global equities, IPOX Europe lags anew:** The *IPOX Global 50 (IPGL50)*, key gauge for the performance of the most significant global IPO's and spin-offs over a four-year rotational cycle, rose +1.72% to +8.77% YTD, and remained +673 bps ahead YTD of global stocks as measured the MSCI World (MXWD) Index. Relative performance across the IPOX regional universe continued to diverge significantly with regions displaying active long-run IPO and spin-off deal flow activity (U.S., Asia-Pacific, and Emerging Markets) significantly outperforming markets with low long-run IPO activity (Europe). For example, the IPOX U.S. 30 (IPXT), benchmark for the performance of the largest and most significant 30 U.S. VC- and private-equity backed IPOs and spin-offs, rose +2.04% to +12.82% YTD, extending the relative gains vs. benchmark S&P 500 (SPX) to +604 bps. YTD. Relative gains were driven by big brand consumer stocks including IPOX heavyweight tobacco firm Phillip Morris International (PM: +4.48%) – after the announcement of a mammoth stock buy-back –, baby food maker Mead Johnson Nutrition (MJN: +4.75%) or retailer Dollar General (DG: +3.78%). Relative performance across the *Developed Asia-Pacific universe* (IPTA) remained strong: Relative weakness in the Hong Kong traded casino complex including Wynn Macau (1128 HK: - 4.71%) on big fund selling was mitigated by strength in Japanese social networker Gree (3632 JP: +25.46%), heavyweight Financial Dai-ichi Life (8750 JP: +4.89%) or H.K. traded luxury goods maker Prada (1913 HK: +4.18%). The IPOX

- Key IPOX Strategies Comparable Returns YTD 2012:**

Ticker (BBG/Reuters)	Return 5-day	YTD 2012	Name
IPGL50 (USD)	1.72%	8.77%	IPOX Global 50
IPGL30 (USD)	1.85%	5.54%	IPOX Global 30
MXWD (USD)	1.72%	2.03%	MSCI World
IPXO (USD)	1.67%	12.02%	IPOX U.S. 100
IPXT (USD)	2.04%	12.82%	IPOX U.S. 30
SPX (USD)	1.30%	6.78%	S&P 500
IPXUJPEU (EUR)	-0.27%	-7.32%	IPOX Europe 50
IXTE (EUR)	-0.36%	-10.79%	IPOX Europe 30
SX5P (EUR)	1.75%	-2.08%	STOXX 50
IPTA (USD)	2.82%	12.04%	IPOX Asia-Pacific 30
MXPC (USD)	2.39%	-1.14%	MSCI Asia-Pacific
CNI (USD)	3.93%	4.38%	IPOX China 20
HSCEI (USD)	4.19%	-1.93%	Hang Seng Enterprise

Why choose IPOX to close the IPO/spin-off asset allocation gap?

- Proven: Real-time performance over market cycles
- Scalable and Stable: Clearly defined Philosophy
- Patented: Index Technology
- Best in Practice: Support and Research

Asia-Pacific 30 (IPTA) rose +2.82% to +12.04% YTD, extending the YTD performance spread vs. benchmark MSCI Asia-Pacific (MXPC) to a massive +1319 bps. With its increasingly aging list of index members, the *IPOX Europe universe (IPXUJPEU, IXTE)* underperformed anew, closing slightly negative on the week, despite a strong week in the benchmarks. Weak miners weighed on sentiment with IPOX heavyweight 5/11 IPO Glencore International Plc (GLEN LN: -4.85%) trading new post-IPO lows on big overhang. Despite the jittery sentiment for Southern European exposure, 4/10 IPO Spanish travel reservation operator EUR 7bn Amadeus International (AMS SM: +2.33%) closed at a new all-time high after an upgrade of its debt. With benchmarks catching up to the positive sentiment showed during last week, the *IPOX China (CNI: +3.93%)* gained for a second week and remained well ahead of the benchmarks YTD.

- Most significant IPOs traded (Week 06/11/12):**

Company	Ticker	Return / IPO (%)
Dongwu Cement International	695 HK	+2.73%

Mainland China cement producer Dongwu Cement International (695 HK: +2.73%) was the only notable accessible IPO last week. The company was not able to benefit from the big performance jump amongst some of the leading Chinese cement makers YTD, underlying the difficult pricing and trading sentiment in the current H.K. IPO market.

- The Week ahead – Malaysia originates big IPO**

Company	Code	Country	Lead
Felda Global Vtrs.	FGV MK	Malaysia	All Major
Xiezhong Internl.	3663 HK	H.K.	Gjunan

With statements from the Federal Reserve likely to underpin global equities, Malaysian Felda Global Ventures (FBV MK), the second largest global IPO YTD by funds raised, is set for its stock market debut. The privatization is the world's third largest palm oil producer and takes place on the eve of elections. Notable is the unusually large percentage of equity offered (63%) and the lackluster recent performance of 2011 Malaysian IPO Petronas Chemicals (PCHEM). We expect the muted sentiment for H.K. IPOs to continue to weight on H.K. deal flow, including China-domiciled auto parts maker small-cap Xiezhong International (3663 HK).