

◆ Summary

Global equities rallied towards quarter end on a big shift in risk appetite following solid Asian-markets and European political action. Much Ado about nothing: Global IPO activity springs back to life with the solid debut of deals across global regions. Focus on Hong Kong IPOs during the upcoming week.

◆ Highlights

- Key IPOX Indexes rise and trade mixed during Q2:** The *IPOX Global 50 (IPGL50)*, key gauge for the 'going public' effect of the most significant global IPO's and spin-offs over the past four years, rose +0.83% to +8.23% YTD, lagging global benchmarks during the week and quarter, but remaining +402 bps ahead of benchmark MSCI World (MXWD) YTD. While IPGL50 is heavy in Hong Kong stocks yet to appreciate on Friday's huge rally, the key IPOX long-only strategy returns varied sharply across the global regions yet again: Performance across the *IPOX U.S. universe* remained solid with the narrow IPOX U.S. 30 (IPXT) remaining +543 bps. ahead of the S&P 500 (SPX) YTD. A big drag following another disappointing week in IPOX heavyweight U.S. carmaker General Motors (GM: -4.27%) was mitigated by the jump in U.S. hospital operator HCA (HCA: +15.92%) as the U.S. supreme court upheld Obamacare. European IPOs measured in the *IPOX Europe universe* lagged anew: Amid continued weakness in global miner and May 2011 IPO Glencore International (GLEN LN: -5.47%) on the Xstrata merger uncertainty, the IPOX Europe 50 (IPXUJPEU) rose just +0.50% to -10.75%, lagging benchmark STOXX 50 (SX5P) anew. Despite the big volatility across Asian-Pacific markets during the quarter, relative performance across the *Developed Asia-Pacific universe* (IPTA) remained remarkably strong: While benchmark MSCI Asia-Pacific (MXPC) declined by -6.89% during the past quarter, the IPOX Asia-Pacific 30 (IPTA) declined -5.69% and closed the quarter with a YTD gain of +13.96%. Relative weakness in the lackluster casino complex was mitigated by a big jump in Japan-traded real-estate developer Hulic Co. (3003 JT: +25.21%). The IPOs of European consumer goods IPOs 'going public' in H.K. in 2010/2011 continued to trade well: While trading in Italian fashion group Prada (1913 HK: +3.41%) remains within reach of its all-time high

- IPOX Long-only Strategy Returns YTD 12:**

Ticker (BBG/Reuters)	Week	Q2 12	YTD 12
IPOX Global 50 (IPGL50) (USD)	+0.83%	-8.13%	+8.23%
MSCI World (MXWD) (USD)	+2.46%	-6.36%	+4.21%
IPOX U.S. 100 (IPXO) (USD)	+0.84%	-5.23%	+13.33%
IPOX U.S. 30 (IPXT) (USD)	+0.72%	-3.67%	+13.74%
S&P 500 (SPX) (USD)	+2.03%	-3.29%	+8.31%
IPOX Europe50 (IPXUJPEU) (EUR)	+0.50%	-10.75%	-6.42%
IPOX Europe30 (IXTE) (EUR)	+0.30%	-12.33%	-9.88%
STOXX 50 (SX5P) (EUR)	+1.68%	-3.16%	+0.48%
IPOX Asia-Pacific 30 (IPTA) (USD)	+2.23%	-5.69%	+13.96%
MSCI Asia-Pacific (MXPC) (USD)	+3.19%	-6.89%	+2.57%
IPOX China 20 (CNI) (USD)	+0.46%	-8.97%	-0.53%
Hang Seng Enprs. (HSCEI) (USD)	+0.74%	-10.01%	-3.64%

Week 07/02/2012

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

recorded after strong earnings on 5/2/2012, French cosmetics group and 2010 H.K. IPOX member L'Occitane (972 HK: +2.40%) closed the week at yet another post-IPO high. Dedicated China-linked exposure (CNI) underperformed developed Asia-Pacific equities last week as uncertainties over the growth path in the mainland Chinese economy remain.

- Most significant IPOs traded (Week 06/25/12):**

Company	Ticker	Return / IPO (%)
China Nonferrous Mining	1258 HK	0.00%
Sajo Seafood Co Ltd	014710 KS	-15.94%
Felda Global Ventures	FGV MK	19.55%
Huadian Fuxin Energy Corp Ltd	816 HK	3.03%
ServiceNow Inc	NOW US	36.67%
Exa Corp	EXA US	6.10%
TESARO Inc	TSRO US	3.63%
EQT Midstream Partners LP	EQM US	14.62%

Much ado about nothing - Global IPO market back in form, shrugging off the Facebook (FB: -5.92%) overhang:

Malaysian privatization palm oil producer Felda Global Ventures (FGV MK: +19.55%) and U.S. specialty tech ServiceNow (NOW US: +36.67%) rose significantly, while the respective H.K. "old economy" IPOs traded flat. In total, 12 accessible deals commenced trading with the average (median) IPO gaining a strong +18.55% (+16.13%).

- The Week ahead – U.S. holiday week - H.K in focus:**

Company	Code	Country	Lead
China Aluminum	2068 HK	CHINA	CICCHK
HaiTian Hydropower	8261 HK	CHINA	Ample Cap
MERRY GARDEN	1237 HK	CHINA	Guotai
Toba Bara Sejahtra	n/a IJ	INDO	CITI, CLSA
Xiao Nan Guo	3666 HK	CHINA	GJUNAN

With the U.S. IPO market on holiday, focus is on the resurging H.K. IPO market with four IPOs lined up during the coming week (out of a total of at least 12 during the month of July). We believe that the IPOs of companies related to the construction/energy industry (H-share offering of 2068 HK, 1237 HK and 8261 HK) have less upside when compared to IPOs linked to the Chinese consumer (consumer staples), such as the IPO of Xiao Nan Guo Restaurants (3666 HK), a Chinese restaurant chain. The company seeks to sell 23.14% of the firm for around USD 73m to repay debt and grow the company. The January 2012 takeover of H.K. traded restaurant chain group and solid long-run performer Little Sheet Group (968 HK) provides for an attractive upside bias to the stock at the offer price of HKD 1.50.