

The IPOX® Week

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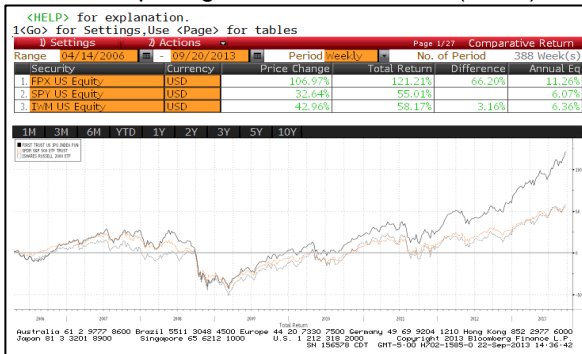
◆ Think IPO – Think IPOX

- IPOX-linked U.S. IPO and Spin-off ETF (ticker: FPX) surges to record during expiration.
- Strength extended to IPOX Indexes covering Global, EU, Developed Asia and China exposure.
- “Hot Issue” market enters second week as plenty of deals are lined up.

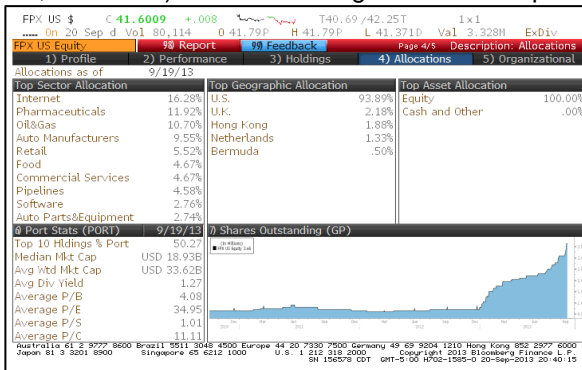
[Week: 09/23/2013]

IPOX-linked U.S. IPO ETF (ticker: FPX) surges to record close:

Upgrades of key portfolio holdings on strong fundamentals supported by FED action propelled the U.S. IPO ETF (ticker: FPX) to another closing high, gaining +2.73% to +35.19% YTD on the week, outperforming the S&P 500 (SPY) or the Russell 2000 (IWM) by a large +142 or +104 bps. 70% of portfolio members rose, with the average (median) equally-weighted IPO gaining just +1.71%, far less than the applied market-cap weighted IPOX U.S. 100 (IPXO) Index, the



underlying index for fund. Dividend-heavy 2013 Spin-off USDbn 75.9 drug maker AbbVie Inc. (ABBV US: +6.57%), hospital operator USDbn 18.9 PE-backed HCA Holdings (HCA US: +4.74%), electric car maker USDbn 22.3 Tesla Motors (TSLA US: +10.80%) or social networker USDbn 115.7 Facebook (FB US: +7.38%) led the surge. Recently added cancer drug maker 61-employee strong USDbn 2.3 Clovis Oncology (CLVS US: +11.68%) rose after putting itself up for sale. Companies recently conducting follow-on offerings (RH US, Z US, FIVE US) ranked amongst the worst performers.

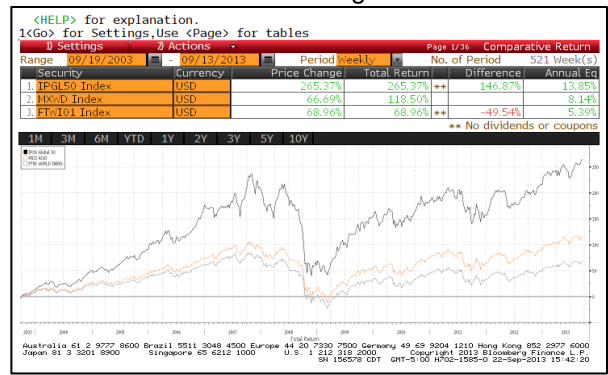


Assets tied to FPX rose to a USDm 152 record: Launched in 2006, the 5-star/5-year Morningstar-rated ETF captures the “going public” effect of the 100 largest, most liquid and typically best performing U.S. IPO and Spin-offs over the past 4 years. Following the Q3/2013 rebalancing, the fund pools USDbn 833.7 of total market capitalization with an average (median) company size of USDbn 8.3 (3.9). Expense Ratio: 0.60% p.a.

IPOX Returns (%)	Week	Aug 13	YTD 13
IPOX Global 50 (IPGL50) (USD)	3.29	0.53	18.21
IPOX Global 30 (IPGL30) (USD)	3.54	1.28	23.38
MSCI World (MXWD) (USD)	2.01	-2.29	14.92
IPOX U.S. 100 (IPXO) (USD)	2.85	-0.43	34.79
IPOX U.S. 30 (IPXT) (USD)	2.92	0.23	31.55
S&P 500 (SPX) (USD)	1.30	-3.13	19.89
IPOX Europe 50 (IPXUJPEU) (EUR)	0.32	0.17	15.33
IPOX Europe 30 (IXTE) (EUR)	0.87	-0.79	14.93
STOXX 50 (SX5P) (EUR)	0.73	-1.59	8.68
IPOX Asia-Pacific 30 (IPTA) (USD)	3.89	-0.88	15.25
MSCI Asia-Pacific (MXPC) (USD)	2.81	-1.68	14.58
IPOX China 20 (CNI) (USD)	2.31	5.72	5.56
IPOX China Cp. (IPXUCHCP) (USD)	3.22	2.26	5.24
Hang Sg Enterprise (HSCEI) (HKD)	1.24	1.73	-5.83

IPOX Global 50 (IPGL50) reaches fresh all-time high:

Strength in IPOX U.S. (IPXO, IPXT) extended to the IPOX Global (IPGL50, IPGL30) and all other IPOX xUS Regional Indexes (IPXUJPEU, IXTE, IPTA, CNI, IPXUCHCP). For example, the IPOX Global 50 (IPGL50) rose +3.29% to +18.21% YTD to a new all-time high.



Initial Pricing action reflects sentiment in IPOX: Ten

notable IPOs debuted last week, with the average (median) IPO gaining a large +35.27% (+15.67%) based on the difference between the final offering price and the week’s close. Good/Exuberant U.S. sentiment extended to pricing/trading action in IPOs abroad (FOXT LN, 1219 HK).

Company Name	Identifier	Return (%)
Accelaron Pharma	XLRN US	39.93
Benefitfocus	BNFT US	92.11
BIND Therapeutics	BIND US	-6.07
ClubCorp Holdings	MYCC US	3.57
Controladora Vuela Cia de Aviacion	VLRS US	15.25
FireEye	FYEY US	80.00
FivePrime Therapeutics	FPRX US	5.69
Foxtons Group	FOXT LN	16.09
Rocket Fuel	FUEL US	93.45
Tenwou International Holdings Ltd	1219 HK	12.70

Notable IPOs lined up for the upcoming week:

A diversified set of firms (mostly small-caps) across regions are scheduled to go public during the upcoming week:

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◆ Notable global IPO deal flow (Week: 09/23/2013):

Company	Code	Date	
Foundation Medicine Inc.	FMI US	09/24	Health Care
Backed by high profile VC firms, FMI US develops cancer diagnostics technology. The company seeks to sell a 19.02% stake with proceeds going to R&D, raising between USDm 70-80 at an initial market cap. of between USDm 368.0-420.5, equivalent to a steep estimated 14.7-16.8 times 2013 revenues. Goldman Sachs and J.P Morgan are the lead underwriters of the deal.			
Applied Optoelectronics Inc.	AAOI US	09/25	Information Technology
AAOI US is a manufacturer of advanced optical semiconductor devices. Led by Piper Jaffray and Raymond James, the moderately growing firm seeks to sell a large 28.55% of total equity, raising USDm 46.8-54.0 at an expected initial market cap between USDm 163.9-189.1. This values the company at between 2.6-3.0 times expected 2013 revenues. Most of the proceeds are earmarked to repay debt. The company is not expected to pay a dividend in the foreseeable future.			
Covisint Corp.	COVS US	09/25	Information Technology
Headquartered in Detroit, MI, and partly owned by Compuware, COVS US is a relatively seasoned firm providing a cloud engagement platform. Led by CS, the firm seeks to raise between USDm 57.6-70.4 for a 17.58% stake and an initial market-cap between USDm 327.6-400.3 or between 3.6-4.4 times expected revenues. Revenue growth has averaged 29.70% over the past three years.			
CT Environmental Group Ltd.	1363 HK	09/25	Utilities
Headquartered in Mainland China, 1363 HK is a wastewater and industrial water supply services company focusing on industrial wastewater. Lead managers BOCI Asia and ICBC International priced the IPO at the bottom of the HKD 1.48-1.98 range raising HKDm 673.2 for 25% of the firm in the process. The profitable, stable but non-growing firm adds to the list of recent micro/small caps in H.K.			
International Housewares Retail Co.	1373 HK	09/25	Consumer Discretionary
The firm (www.japanhome.com.hk) operates a network of 293 retail houseware stores across Hong Kong, Singapore, West Malaysia, China and Macau (and licenses 10 other stores in other countries). Amid strong retail demand, the IPO priced at the top end of the HKD 2.22-2.81 range, raising HKDm 606.96 for a 30% stake or 1.35 times 2013 sales. 1373 HK has displayed an impressive growth trajectory over the past years, growing revenues and profits by an average 21.38% and 28.90%, respectively.			
Montage Technology Group	MONT US	09/25	Information Technology
DB-led, China domiciled small-cap MONT US is a global fabless provider of analog and mixed-signal semiconductor solutions. The globally engaged, profitable firm seeks to sell 26.81% at between 4.1-4.7 times 2013 revenues, having displayed an average revenue growth rate of 64.28% over the past three years. Proceeds are earmarked for growth purposes.			
Ophthotech Corp.	OPHT US	09/25	Health Care
MS/JPM-led OPHT US is a biopharma specializing in the development of novel therapeutics to treat diseases of the eye. The company has no revenue and is expected to raise between USDm 91.5-108.7 for 20.26% at an initial market cap between USDm 451.9-536.4.			
Enzymotec Ltd.	ENZY US	09/26	Health Care
Domiciled in Israel, BAML/JEF-led ENZY US is a nutritional ingredients and medical foods company. The strongly growing and profitable small-cap seeks to raise between USDm 70.6-79.4 for a 21.13% stake in the firm at around 6 times 2013 revenues, with proceeds earmarked for working capital purposes.			
Pattern Energy Group Inc.	PEGI US	09/26	Energy
BMO Capital Markets/MS-led dual share structure firm focused on owning/operating alternative energy projects globally with stable long-term cash flow potential. Sells 31.32%, seeking to raise between USDm 304-336 at between 6.0-6.7 times 2013 revenues with most of the proceeds going to shareholders. Deal is expected to yield between 5.95%-6.58% p.a. at the indicated range.			
Premier Inc.	PINC US	09/26	Health Care
Week's largest U.S. deal. Dual-share class. PINC US is a national healthcare alliance, consisting of approximately 2,900 U.S. hospitals, 100,000 alternate sites and 400,000 physicians, that plays a critical role in the U.S. healthcare industry. BAML/JPM/C-led IPO seeking to raise between USDm 647-732 for 20% with most of the proceeds used to buy interest from member owners. No dividend yield.			
RingCentral Inc.	RNG US	09/26	Information Technology
GS-led RNG US is a leading provider of software-as-a-service, or SaaS, solutions for business communications. Sells just 12.35% to increase financial flexibility, aiming to raise between USDm 60.8-82.5, equivalent to a USDm 668.2-789-7 initial market cap and between 6.32-7.47 times 2013 revenues. Strong +51% average three-year revenue growth. Founded in 1999. Dual-share class.			
Violin Memory Inc.	VMEM US	09/26	Information Technology
JPM/BAML-led VMEM US pioneered a new class of persistent memory-based storage solutions designed to bring storage performance in line with high-speed applications, servers and networks. Founded in 2005 and recapitalized in 2009, the firm seeks to raise between USDm 144-180 for 22% of the 445-employee firm, equivalent to a USDm 654.6-818.2 initial market cap. Firm has grown revenues and profits impressively over the past three years. Proceed are earmarked for growth, no dividend expected.			
China Huishan Dairy Holding	6863 HK	09/27	Consumer Staples
The DB/GS/CIMB/HSBC-led China domiciled profitable and strongly growing vertically integrated dairy producer raised HKDbn 10.1129 for 26.29% of the firm at the top of the HKD 2.28-2.67 range, equivalent to a HKDbn 38.5 (USDbn 5.0) initial market cap or 12 times 2013 revenues. Proceeds are earmarked for growth. Cornerstone investors include Norges Bank. Demand/performance for/of similar recent deals in the industry has been solid, indicative of the +51.36% rise in NZ-domiciled Synlait Milk (SML NZ) since its 7/22/2013 IPO.			