

◆ THINK IPO – THINK IPOX®

- **IPOX Indexes** slump with markets as New Year starts.
- **IPOX Europe** and **IPOX Asia-Pacific** bright spots as both Indexes massively outperform.
- Amid Hong Kong small-cap IPO strength, more China-linked deals lined up.

IPOX Indexes slump with markets as new year starts. IPOX Europe and IPOX Asia-Pacific outperform.

The IPOX Indexes started the year with substantial losses on increasing geopolitical uncertainty, China weakness and continued selling in U.S. small-caps. On the global level, the **IPOX Global 50 (IPGL50)** – gauge for the performance of the most liquid and largest globally accessible IPOs and Spin-Offs – fell by as massive -6.80%, slightly lagging the global benchmark. IPOX-linked **Exchange-Traded-Funds (ETFs)** fell sharply: On the international level, e.g., the **First Trust International IPO Fund (FPXI)** shed -6.08%, while the 5-star, USD million 720 **First Trust U.S. IPO Fund (FPX)** slumped by -7.66%, in line with the benchmarks. Companies with most downside included all China-linked exposure, such as e-commerce firms **JD.com** (JD US: -14.40%) and **Alibaba Group** (BABA US: -12.88%), car makers and suppliers including **Ferrari** (RACE US: -10.19%), **General Motors** (GM US: -13.17%), **Fiat Chrysler** (FCAU US: -13.06%) and **Delphi** (DLPH US: -14.17%) as well as debt-heavy exposure including hotel operator **Hilton Worldwide** (HLT US: -10.51%) and consumer staple **Restaurant Brands International** (QSR US: -14.83%). Exposure linked to corporate actions traded mixed with IL-based drug-baker **Baxalta** (BXL US: +2.51%) rising, while Chinese real estate behemoth **China Vanke** (2202 HK: -13.89%) fell sharply following a multi-day trading halt on the Hong Kong and Mainland China exchanges.

IPOX Europe and **IPOX Asia-Pacific** bright spots as both Indexes massively outperform. IPOX-linked developed markets exposure pooling IPO and Spin-Off deal flow in Europe (**IPOX Europe [IXTE]**), as well as in Asia-Pacific (**IPOX Asia-Pacific [IPTA]**) recorded a big relative performance surge during the first week of trading, with both indexes outperforming their respective benchmark by more than 200 bps. during the first week of trading. Firms in focus here included cable- and satellite services provider **Numericable** (NUM FP: +13.43%), London-traded payment processor **Worldpay** (WPG LN: +0.23%) as well as NZ utility **Mighty River** (MRP NZ: +0.00%).

Amid Hong Kong small-cap IPO strength, more deals lined up.

Following a record 51 China-linked IPOs commencing trading in Q4 2015 predominantly in Hong Kong and Taiwan (see chart), IPO activity in the region had a strong start with another 4 firms “going public” during the first week of the new year. With the big relative China-linked small-cap IPO outperformance during 2015 driving interest, companies bucked the weakness in the global markets anew and generally closed their first week of trading with strong gains. More China-linked IPO activity is lined

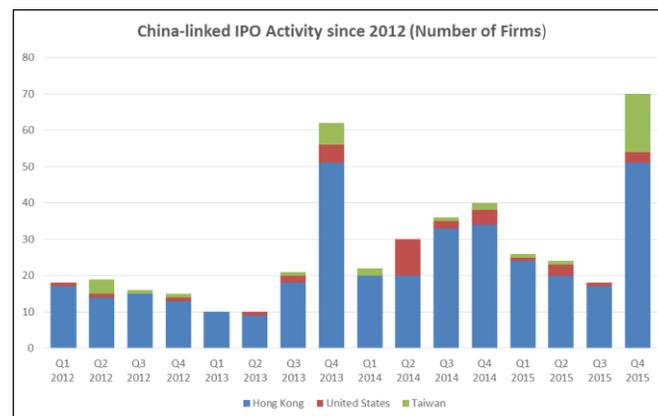
[Week: 01/11/2016

IPOX Returns (%) (P)	Week	2015	YTD 16
Exposure: Global/International (xUS) (USD)			
IPOX Global 50 (IPGL50)	-6.80	0.99	-6.80
IPOX Intern. (IPXI)*	-5.77	-5.85	-5.77
Exposure: United States (USD)			
IPOX 100 U.S. (IPXO)*	-7.59	1.57	-7.59
IPOX 30 U.S. (IPXT)	-7.73	4.91	-7.73
Exposure: Europe (EUR)			
IPOX Europe (IXTE)	-4.12	14.41	-4.12
IPOX Nordic (IPND)	-6.18	23.88	-6.18
Exposure: Asia-Pacific (Developed) (USD)			
IPOX APAC 30 (IPTA)	-3.73	-2.32	-3.73
Exposure: China (USD) (x A-Shares)			
IPOX China 20 (CNI)	-9.70	-9.10	-9.70

*Basis for Exchange-Traded Products (ETPs)

Select IPOs (last week):	ID:	Change*
Daito Me Holdings Co Ltd	8455 TT	-1.32
Hi-Level Technology Holdings	8113 HK	241.94
NNK Group Ltd	3773 HK	20.00
Perfect Group International	3326 HK	93.55

*Percentage difference between final offering price and the week's close



up for the upcoming week, including small-cap game developer **Gameone** (8282 HK), property developer **Ronshine China** (3301 HK) and education services provider **Virscend Education** (1565 HK).

IPOs (week of Jan 11):	ID:	Sector
Gameone Holdings Ltd	8282 HK	Info Technology
Ronshine China Holdings	3301 HK	Financials
Shimmick Construction Co	SCCI US	Industrials
Virscend Education Co Ltd	1565 HK	Cons. Discretionary