

◆ THINK IPO – THINK IPOX®

- Deflation, Brexit Angst hits stocks anew during expiration; **IPOX Indexes** fall across the board.
- Unabated IPO deal flow in Europe continues.
- More IPOs lined, US focus on **Twilio** (TWLO US).

[June 20, 2016]

Deflation, Brexit Angst hits stocks anew during expiration; IPOX Indexes fall across the board. Amid continued declines in global yields (TLT US: +0.62%) and the jump in risk (VIX: +14.00%), the **IPOX Indexes** lagged for a second week during of U.S. Futures and Options Expiration. In the U.S., e.g., the **IPOX 100 U.S.** (IPXO) – underlying for the **First Trust U.S. IPO ETF** (FPX) – shed -1.78% to -1.58% YTD, leading the **Nasdaq 100** (QQQ) but lagging the **S&P 500** (SPX), the key gauge for U.S. stocks.

IPOX-linked First Trust U.S. IPO ETF (FPX) since 2006:



Big declines in US-traded consumer financials weighed on performance, with most focus on IPOX heavyweight blue-chip GE-Spin-off **Synchrony Financial** (SYF US: -16.33%) which plunged after reporting a sharply reduced outlook. Amid the continued fall in yields and index re-balancing, recent (REIT) IPO(s) **MGM Growth Properties** (MGP US: +5.61%) surged anew while exchange operator **BATS** (BATS US: +3.78%) added to recent gains. In all Just 67/100 **IPOX 100 U.S.** (IPXO) holdings fell, with the average (median) equally-weighted stock declining by -1.14% (-1.12%), better than when compared to the applied market-cap weighting index. **IPOX Indexes** in other world regions also weakened with respective regional exposure falling more than the benchmarks as investors shed high-beta stocks amid record low yields and anxiety over Brexit.

Unabated IPO deal flow in Europe continues; More IPOs lined up, US focus on Twilio. While the key US deal of the week, Goldman-led event technology support services provider **PSAV** (PSAV US) could not get done, IPO activity in other world regions continued at a brisk pace, led by more IPOs in the Nordic region. In all, at least 8 accessible firms commenced trading, with the average (median) equally-weighted Company adding

IPOX Returns (%) (P)	Week	2015	YTD 16
Exposure: Global/International (xUS) (USD)			
IPOX Global 50 (IPGL50)	-2.46	0.99	-8.25
IPOX Intern. (IPXI)*	-2.27	-5.85	-8.65
Exposure: United States (USD)			
IPOX US Comp. (IPXC)	-1.59	-3.90	-2.06
IPOX 100 U.S. (IPXO)*	-1.82	1.57	-1.95
IPOX 30 U.S. (IPXT)	-1.99	4.91	-1.80
Exposure: Europe (EUR)			
IPOX Europe (IXTE)	-3.04	14.41	-11.27
IPOX Nordic (IPND)	-4.30	23.88	-8.34
Exposure: Asia-Pacific (Developed) (USD)			
IPOX Asia-Pacific (IPTA)	-3.04	-2.32	-2.67
Exposure: China (USD) (x A-Shares)			
IPOX China (CNI)	-1.51	-9.10	-15.48

*Basis for Exchange-Traded Products (ETPs)

+14.17% (+3.97%) based on the difference between the final offering price and the week's close. US focus during the upcoming week is on applications software maker **Twilio** (TWLO US), while at least 6 small-cap companies domiciled

IPOs (week of June 13):	Ticker	Return (%)
AcadeMedia AB	ACAD SS	36.88
Atrae Inc	6194 JP	101.85
B3IT Management AB	B3IT SS	5.00
GS Sweden AB	GOMX SS	-27.20
Paragon Commercial Corp	PBNC US	2.94
Redwood Pharma AB	REDW SS	-36.67
SwedenCare AB	SECARE SS	28.57
TF Bank AB	TFBANK SS	1.95

in Sweden add to the long list of recent IPOs in the dynamic Nordic region of Europe.

IPOs (week of June 20):	Ticker	Sector
Australian Unity Office Fund	AOF AU	Financials
Cereno Scientific AB	CRNOB SS	Health Care
Dignita Systems AB	DIGS SS	Info Technology
Frasers Logistics	FLT SP	Financials
Gemphire Therapeutics Inc	GEMP US	Health Care
Lauritz.com Group A/S	LAUR SS	Consumer Disc.
Maha Energy AB	MAHAA SS	Energy
Selecta Biosciences Inc	SELB US	Health Care
Shortcut Media AB	SMG SS	Consumer Disc.
Twilio Inc	TWLO US	Info Technology
Videobur Sthlm Int AB	VIDS SS	Info Technology
Virtualx Consulting Inc	6193 JP	Consumer Disc.