

◆ THINK IPO – THINK IPOX®

- Brexit hits stocks; **IPOX Indexes** fall across the board.
- Significant deal flow prices, focus on REITs, TWLO US.
- More IPOs lined, US focus on **Tactile Systems**.

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Brexit hits stocks; IPOX Indexes fall across the board. The IPOX Indexes followed the massive reversal in global equities towards the week-end on Brexit, with select **IPOX Indexes** lagging the benchmarks. In the U.S., e.g., the **IPOX 100 U.S.** (IPXO) – underlying for the **First Trust U.S. IPO ETF** (FPX) – shed -2.05% to -3.96% YTD, in line with the **Nasdaq 100** (QQQ) but lagging the **S&P 500** (SPX) for a third week in a row. Weakness here was broad-based with 71/100 companies recording a negative close on the week and the average (median) equally-weighted stock declining -1.67% (-1.37%), less than when compared to the applied market-cap weighted index. Big declines in more heavily weighted firms weighed on index performance, with **First Data** (FDC US: -7.64%), **NXPI** (NXPI US: -5.82%), **PayPal** (PYPL US: -5.11%) or **Hewlett Packard Enterprises** (HPE US: -4.12%) leading the way. Companies with most upside focus included spin-offs **Post Holdings** (POST US: +4.05%) and **CSRA** (CSRA US: +3.35%), while **Twitter** (TWTR US: +2.11%) continued to build momentum. **IPOX Indexes** in other world regions also weakened with respective regional exposure declining in line to more than the benchmarks, as investors continued to shed high-beta growth stocks and Financials on Brexit and quarterly portfolio re-balancing. Companies recording large losses included last year's Japanese privatization offerings **Japan Post Holdings** (1184 JP: -6.25%), **Japan Post Insurance** (1991 JP: -7.87%) and **Japan Post Bank** (7182 JP: -4.15%), as well as the slew of recent Chinese regional banking offerings, including **Bank of Jinzhou** (416 HK: -7.45%), **Bank of Qingdao** (3866 HK: -6.05%) and **Shengjing Bank** (2066 HK: -5.71%). IPOs traded in the Nordic Region bucked the weakness and traded with most upside last week, including **Valmet** (VALMT FH: +14.47%), **Lifco** (LIFCOB SS: +12.02%) and **Evolution Gaming** (EVO SS: +10.54%).

Significant deal flow prices, focus on REITs, TWLO US. At least 14 significant IPOs priced in the accessible (non-China A Shares) markets last week, with the average (median) deal gaining +30.90% (+1.40%) based on the difference between the final offering price and the close on the week. U.S. focus was on the stellar initial performance of Goldman Sachs-led global applications software maker **Twilio** (TWLO US: +75.33%), underpinning the positive momentum for U.S. growth deals in specialty industries. Focus abroad continued to be on IPOs in the Nordic Region with all IPOs commencing trading on the Stockholm Stock Exchange. Significant deal flow in Asia-Pacific included REITs **Australian Unity Office Fund** (AOF AU: +5.50%) and **Frasers Logistics & Industrial Trust** (FLT SP: +2.25%), with both firms recoding solid initial gains. Despite big weakness in global equities following Brexit, at least 10 notable IPOs are set to start trading during the last week of the calendar

IPOX Returns (%) (P)	Week	2015	YTD 16
Exposure: Global/International (xUS) (USD)			
IPOX Global 50 (IPGL50)	-2.58	0.99	-10.62
IPOX Intern. (IPXI)*	-2.61	-5.85	-11.04
Exposure: United States (USD)			
IPOX US Comp. (IPXC)	-1.59	-3.90	-3.62
IPOX 100 U.S. (IPXO)*	-2.05	1.57	-3.96
IPOX 30 U.S. (IPXT)	-2.82	4.91	-4.57
Exposure: Europe (EUR)			
IPOX Europe (IXTE)	-2.65	14.41	-13.62
IPOX Nordic (IPND)	1.69	23.88	-6.79
Exposure: Asia-Pacific (Developed) (USD)			
IPOX Asia-Pacific (IPTA)	-1.64	-2.32	-4.27
Exposure: China (USD) (x A-Shares)			
IPOX China (CNI)	-0.56	-9.10	-15.96

*Basis for Exchange-Traded Products (ETPs)

IPOs (week of June 20):	Ticker	Return (%)
Alielion Energy Systems AB	AELIO SS	2.54
Australian Unity Office Fund	AOF AU	5.50
AWS Holdings Inc	3937 JP	325.70
Cereno Scientific AB	CRNOB SS	-16.00
Comptoir Group plc	COM LN	31.00
Dignita Systems AB	DIGS SS	-32.08
Frasers Logistics & Ind. Trust	FLT SP	2.25
Lauritz.com Group A/S	LAUR SS	0.67
Selecta Biosciences Inc	SELB US	0.00
Shortcut Media AB	SMG SS	-6.36
Strike Co Ltd	6196 JP	64.83
Twilio Inc	TWLO US	75.33
Videobur Sthlm Int AB	VIDS SS	-16.50
Virtualx Consulting Inc	6193 JP	-4.22

quarter. Most notable are the respective deals in the Japanese market (3543 JP, 6199 JP, 3542 JP), while two health care-related firms add to the list of IPOs set to take place in the U.S. (GEMP US, TCMD US).

IPOs (week of June 27):	Ticker	Sector
China Digital Video Holdings	8280 HK	Consumer D.
Gemphire Therapeutics Inc	GEMP US	Health Care
Investis Holding SA	IREN SW	Financials
KOMEDA Holdings Co Ltd	3543 JP	Consumer D.
Li Bao Ge Group Ltd	8102 HK	Consumer D.
MaxFast Properties AB	MAXF SS	Financials
Seraku Co. Ltd.	6199 JP	Info. Technology
Solasto Corp	6197 JP	Health Care
Tactile Systems Technology	TCMD US	Health Care
Vega Corp. Ltd	3542 JP	Consumer D.