

The IPOX[®] Week

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- Strong earnings & Corporate actions drive **IPOX U.S.** and **IPOX International** to big week / “FPX” ETF adds +3.43%, “FPXI” ETF adds +3.08% on the week.
- IPO Deal-flow Review & Outlook: Amid takeover frenzy, U.S. Biotech’s record significant gains. More IPOs in pipeline.

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Strong earnings & Corporate Actions drive IPOX U.S. and IPOX International to big week. Amid strong earnings ([ABBV US: +17.75%]), effective and perceived Corporate M&A ([BIVV US: +60.71%], [TWTR US: +2.58%]), focus was on the **IPOX U.S.**, with the diversified style-box agnostic **IPOX[®] 100 U.S.** (IPXO) closing above the 3,300 Mark for the first time, adding +3.45% to +9.32% YTD and outpacing the **S&P 500** (SPX) - yardstick for U.S. stocks - by a massive +120 bps. on the week. On the back of big gains recorded by China-linked exposure ([BABA US: +11.50%]), strength extended to non-U.S. domiciled stocks, with the **IPOX[®] International** (IPXI) adding +2.88% to +11.69% YTD.

IPOX[®] 100 U.S. Investing with the 5-star “FPX” ETF since 2006



Exchange Traded Index Funds (ETFs) reflected these outsized gains: In the U.S., e.g., the NYSE-listed USD billion 1.1 **First Trust U.S. Equity Opportunities ETF** (FPX) - which tracks the **IPOX[®] 100 U.S.** (IPXO) - added +3.43% to +9.32% YTD, while the NASDAQ-listed **First Trust International IPO ETF** (FPXI) - which tracks the **IPOX[®] International Index** (IPXI) - added +3.08% to +12.66% YTD, with both funds ranking as a top performing ETF in their respective category, according to www.etf.com. “FPX” and “FPXI” offer investors a one-stop, turnkey solution to access the “going public” effect associated with the performance of the largest U.S. (FPX) and International (FPXI) IPOs and Spin-offs by applying the **IPOX[®] Indexes Technology**. The sector often serves as a pure proxy for economic growth and innovation.

IPO Deal-flow Review & Outlook: Amid takeover frenzy, U.S. Biotech’s record significant gains. More IPOs in pipeline. At least 9 notable (non-China A shares and non-local India) firms commenced trading last week with the average (median) equally-weighted firm adding +29.37% (+16.44%) based on the difference between the final offering price and Friday’s close. Three U.S. domiciled small-caps biotech firms including **ARMO BioSciences**

IPOX [®] Price Returns (%)	Last Week	2017	2018 YTD
Exposure: Global/International (x US) (USD)			
IPOX [®] Global (IPGL50)	2.35	28.59	10.80
IPOX [®] International (IPXI)*	2.88	37.80	11.69
Exposure: United States (USD)			
IPOX [®] Composite U.S. (IPXC)*	5.02	33.64	10.87
IPOX [®] 100 U.S. (IPXO)*	3.45	26.04	9.32
IPOX [®] 30 U.S. (IPXT)	3.25	26.63	10.26
Exposure : Europe/Nordic Region (EUR)			
IPOX [®] Europe (IXTE)	-0.42	19.27	4.16
IPOX [®] Nordic (IPND)	-0.01	17.91	1.47
Exposure: Asia-Pacific/China Region (USD)			
IPOX [®] Asia-Pacific (IPTA)	2.25	23.30	8.15
IPOX [®] Comp. China (IPXUCHCP)	6.02	42.57	13.68
IPOX [®] China (CNI)	4.41	37.67	16.88

* Basis for ETPs: FPX US, FPX LN, FPXU FP, FPXI US, TCIP110 IT) and CME listed e-mini IPOX[®] 100 U.S. Index Futures [Symbol: IPOH8].

ARMO US: +74.94%), Menlo Therapeutics (MNLO US: +67.71%) and Solid Biosciences (SLDB US: 41.38%) soared after upsizing. We also note the significant gains in Goldman Sachs and Morgan Stanley-led Brazil payment processor **PagSeguro Digital** (PAGS US: +35.37%), after upsizing and pricing above indicative range. Following dismal **ADT** (ADT US: -3.95%), another P/E-backed firm disappointed, with power transmission equipment manufacturer **Gates Industrial** (GTES US: -0.53%) finishing the week below final offer. More deals are lined up towards the end of the month, making it for the busiest January IPO market in four years: Focus this week includes travel concessions operators **Hudson** (HUD US) and **Corporación América Airports** (CAAP US), Argentina’s largest private sector power generator **Central Puerto** (CEPU US), while and South Korea’s leading mobile messenger app operator **Kakao** (KCR SP) seeks a notable listing in Singapore.

Select IPOs traded (week: 01/22/2018)	Country
ARMO BioSciences Inc	U.S.A.
Bhiraj Office Leasehold REIT	Thailand
Gates Industrial Corp PLC	U.S.A.
Menlo Therapeutics Inc	U.S.A.
PagSeguro Digital Ltd	Brazil
PlayAGS Inc	U.S.A.
resTORbio Inc	U.S.A.
Solid Biosciences LLC	U.S.A.
Slate Office REIT	Canada
Select IPOs expected (week: 01/29/2018)	Country
Central Puerto S.A.	Argentina
Corporación América Airports S.A.	Luxembourg
FTS International Inc	U.S.A.
Hudson Ltd	U.S.A.
Kakao Corp	South Korea
Sol-Gel Technologies Ltd	Israel
Salmones Camanchaca S.A.	Chile
VICI Properties Inc	U.S.A.