

The IPOX® Week

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- **IPOX 100 U.S.** surges while U.S. markets fall; **Abbvie**, **Snap** drive big gains.
- IPOX-linked ETFs rise to fresh records; “**FPX**” ETF displays unique return properties.
- Global Deal-flow Review and Outlook: Ahead of wave of IPOs, no significant deal flow seen.

September 11, 2017

IPOX 100 U.S. (IPXO) surges while U.S. markets fall; **Abbvie** (ABBV US: +13.15), **Snap** (SNAP US: +7.50%) drive big gains. Ahead of quarterly U.S. Futures & Option expiration and re-balancing, select **IPOX Indexes** continued their drive into uncharted territory to close the week at record highs. For another week, the **IPOX U.S. Universe** led the way, with the diversified FANG-free **IPOX 100 U.S.** (IPXO) – benchmark for U.S. IPOs and Spin-off performance - surging by +1.65% to +15.36% YTD, a massive +226 bps. ahead of the falling **S&P 500** (SPX), main proxy for U.S. stocks. While the **IPOX Europe** (IXTE) and **IPOX Nordic** (IPND) continued to weaken, Asia remained firm with both the **IPOX China** (IPXUCHCP, CNI) and **IPOX Asia-Pacific** (IPTA) extending their YTD rallies. We note continued gains in the **IPOX International** (IPXI), which also finished the week at a record, adding +0.53% to +33.70% YTD.

IPOX portfolio holdings in focus. In the U.S., the story of the week belonged to IL-based U.S. drug maker **Abbvie** (ABBV US: +13.15%), largest holding in the applied market-cap weighted **IPOX 100 U.S.** (IPXO). In an upside move reminiscent of the 07/2013 break-out of then-IPOX heavyweight **Facebook** (FB US: -0.62%) after exceeding earnings expectations for the first time, the drug maker surged after announcing successful results from a phase 2 trial of its eczema treatment and a big win in IP court related to its Humira drug, the world’s best selling drug, ring-fenced with more than 100 patents. IPOX Holding U.S. social networker **Snap** (SNAP US: +7.50%) – officially shunned by the standard Indexes tracking U.S. stocks - continued to recover on more positive news flow, this time concerning the introduction of Campus Publisher Stories. Big losses in select exposure after earnings weighed on portfolio returns, including family entertainment facilities operator TX-based **Dave & Buster** (PLAY US: -11.91%), IT services provider **HP Enterprises** (HPE US: -8.32%), consumer financial **Synchrony Financial** (SYF US: -7.66%) or content sharing platform operator **Box** (BOX US: -6.14%). In markets outside the U.S., the announcement of the inclusion to Japans **Nikkei 225 Index** (NKY: -2.12%) drove IPOX heavyweight human resources firm **Recruit Holdings** (6098 JP: +7.48%) to a fresh post-IPO high, while strong August contract sales spurred blue chip real estate developer **China Vanke** (2202 HK: +12.15%). We note renewed weakness in Patrick Drahis European cable and satellite services provider 01/2014 IPO **Altice NV** (ATC NA: -6.28%), while USD billion 20.8 **Altice U.S.** (ATUS: -7.57%) – this year’s largest IPO in the U.S. – plunged below initial offer the first time since its 06/2017 IPO amid record post-IPO volume.

IPOX Price Returns (%)	Last Week	Q2 2017	YTD 2017
Exposure: Global/International (x US) (USD)			
IPOX Global (IPGL50)	0.76	5.54	23.54
IPOX Global (IPGL30)	1.72	8.07	24.25
IPOX International (IPXI)*	0.53	9.24	33.70
Exposure: United States (USD)			
IPOX Composite U.S. (IPXC)*	0.05	7.44	24.38
IPOX 100 U.S. (IPXO)*	1.65	3.86	15.36
IPOX 30 U.S. (IPXT)	1.80	4.62	17.06
Exposure : Europe/Nordic Region (EUR)			
IPOX Europe (IXTE)	-0.86	4.95	17.52
IPOX Nordic (IPND)	-1.47	8.64	15.24
Exposure: Asia-Pacific/China Region (USD)			
IPOX Asia-Pacific (IPTA)	1.14	2.99	16.85
IPOX Comp. China (IPXUCHCP)	0.24	10.06	36.74
IPOX China (CNI)	1.69	4.62	29.17

* Basis for ETFs: FPX US, FPX LN, FPXU FP, FPXI US, TCIP110 IT) and CME Futures (**e-mini IPOX 100 U.S. Index Futures** [Commodity trading symbol: IPOU7]).

IPOX-linked ETFs rise to fresh records; “**FPX**” ETF displays unique return properties. Last week’s big divergence in favor of IPOX underlined once more the asset allocation benefits of adding IPOX-linked exposure to a broad-based equity portfolio: With U.S. markets in moderate decline ahead of expiration across sectors and size/style segments, the diversified **IPOX 100 U.S.-linked First Trust Equity Opportunities ETF** (FPX) added +1.21% to +16.05% YTD, closing Friday at the highest level on record. Assets tied to the 11-year old fund rose to USD million 885. In international markets, the younger **IPOX International** (IPXI)-linked **First Trust International IPO ETF** (FPXI) added +0.45% to +35.46% YTD. The “**FPX**” and “**FPXI**” ETF provide a diversified granular regional solution to investing in the “going public” effect associated with the largest and typically best performing global New Listings, often a pure proxy for growth and innovation.

Global Deal-flow Review and Outlook: Ahead of wave of IPOs, no deal flow seen. No notable accessible global (non-China A shares) firms debuted last week. Ahead of a busy week for U.S. IPOs, no significant accessible IPOs are set to debut during the week of September 11, 2017.

Select IPOs traded (week: September 4, 17)	Country
No notable accessible IPOs traded	
IPOs set to debut (week: September 11, 17)	Country
No notable accessible IPOs set to trade	