

The IPOX Week Review 2023

Edited by Dr. Josef Schuster, PM



ISSUE #714 • January 1, 2024

Happy New Year from the IPOX® Team!

IPOX.COM • INFO@IPOX.COM

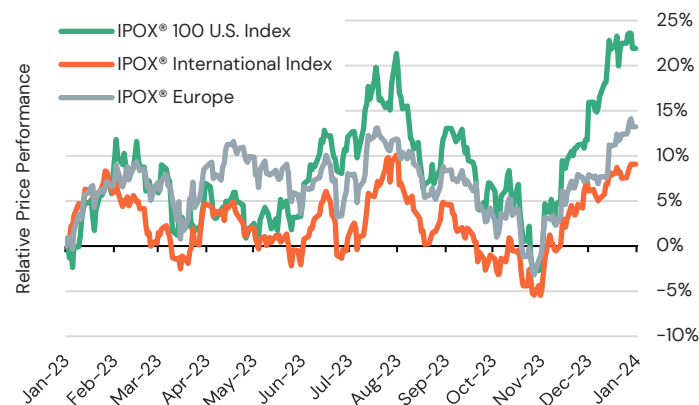
Most IPOX® Indexes gain in 2023, U.S. outperforms International. //

GINDEX® U.S. (GNDX) ends near all-time high. IPOX® ESG soars past S&P. //

Key Trends drive big jump in select holdings. IPOX® SPAC rises +23.64%. //

1,452 IPOs launch in 2023. India, MENA focus. Plenty of Deals seen in 2024. //

IPOX® PERFORMANCE REVIEW: While the IPO market anticipates a return to more normal levels of activity in 2024, the [IPOX® Indexes](#) look back on a largely positive year. Throughout the first half of 2023, U.S. equity performance lagged global markets, impacted by sticky inflation, high interest rates and the fallout of bank failures on growth stocks. Still, big momentum from Q3, fueled by forward-looking optimism for 2024 rate cuts, has propelled the [IPOX® 100 U.S.](#) (ETF: FPX) to a gain of **+21.93%** for this year. While the benchmark for U.S. innovation has lagged the large cap-heavy **S&P 500** (SPX: **+24.23%**), we note a strong outperformance versus U.S. small- and mid-caps, beating the **Russell 2000** (RTY: **+15.09%**) by **+684 bps.**, e.g. Globally, we saw the performance of portfolios capturing non-U.S. domiciled exposure gaining strongly for the most part. Amid continuing uncertainty over the Russia-Ukraine war, e.g., the [IPOX® Europe](#) (ETF: FPXE) added **+13.22%**, underpinned by gains in Scandinavia-domiciled exposure (i.e. [IPOX® Nordic](#), IPND: **+18.50%**), in particular. Across Asia-Pacific, we also note the good year for the [IPOX® Japan](#) (IPJP: **+13.64%**) which strongly outperformed similar Japan-domiciled tech exposure. The [IPOX® International](#) (ETF: FPXI) added **+9.06%**, weighed down by select China-linked stocks. Specifically, the [IPOX® China](#) (CNI: **-4.18%**) declined slightly in 2023, however, significantly outpaced other China-linked benchmarks as the exodus of international investors from China continued unabated amid more economic and regulatory uncertainty.



In view of the burgeoning IPO activity in the region, we also note strong returns for the Middle East-focused [IPOX® MENA](#) (IPEV: **+17.19%**), beating the regional benchmarks (e.g. **Dow Jones MENA** (DJMENA) **+4.52%**). Within the past months, the portfolio has also shown renewed strength on investor appetite for deal flow, with the portfolio recovering fully from a **-8%** slump following the start of the Israel-Hamas war. Amongst the thematic index range, the continued focus on climate has propelled the [IPOX® U.S. ESG](#) (IPXT: **+25.87%**) past the **S&P 500** in 2023. In light of recent shifts in pharma innovation, such as weight loss treatments, we also launched the [IPOX® Health Innovation](#) (IPHI: **+4.13%**). While most of cash-rich big pharma has struggled in 2023, the prospect of a lower rate environment and huge wave of IPO M&A in the sector have propelled the portfolio by a massive **+24%** since October.

In summary, amid the backdrop of contained inflation driving strong risk appetite for unseasoned stocks, muted economic growth, good earnings, continued IPO M&A, index addition activity and a buyer's market for most New Listings, we expect the [IPOX® Indexes](#) to remain attractive and unique tools to capture strong returns in 2024. //

SELECT IPOX® INDEXES - PRICE RETURNS	LAST WEEK	YTD	2023
IPOX® INDEXES: GLOBAL/INTERNATIONAL			
IPOX® International (IPXI) (USD) (ETF: FPXI)	1.45%	0.00%	9.06%
IPOX® Global Super Liquid (IPGL50) (USD)	0.28%	0.00%	13.16%
IPOX® INDEXES: NORTH AMERICA			
IPOX® 100 U.S. (IPXO)* (USD) (ETF: FPX) †	-0.46%	0.00%	21.93%
IPOX® SPAC (SPAC) (USD)	-0.22%	0.00%	22.94%
IPOX® U.S. Composite (IPXC)	0.53%	0.00%	17.42%
IPOX® Canada (ICDX)	0.97%	0.00%	7.25%
IPOX® INDEXES: EUROPE/NORDIC/MIDDLE EAST			
IPOX® Europe (IPEV) (USD) (ETF: FPXE) †	0.73%	0.00%	13.22%
IPOX® Nordic Core (IPND) (EUR)	0.62%	0.00%	18.50%
IPOX® MENA (IPEV) (USD)	3.36%	0.00%	17.19%
IPOX® INDEXES: ASIA-PACIFIC/CHINA			
IPOX® China Core (CNI) (USD)	4.91%	0.00%	-4.18%
IPOX® Japan (IPJP) (JPY)	1.23%	0.00%	13.64%
THEMATIC IPOX® INDEXES			
IPOX® Health Innovation (IPHI) (USD)	1.11%	0.00%	3.93%
IPOX® U.S. ESG (IPXT) (USD)	0.03%	0.00%	25.87%
GINDEX® GROWTH INFUSION INDEXES			
GINDEX® U.S. (GNDX) (USD)	-0.40%	0.00%	20.19%
GINDEX® International (GNDXI) (USD)	0.58%	0.00%	10.22%

*Basis for CME-traded e-mini IPOX® 100 U.S. Futures (IPOH4). †Also available in UCITS format in Europe in EUR (EFPX IM), USD (IPXE LN), and GBP (FPX LN/FPXE LN). 2023 returns for GNDXI and IPHI are from 3/17/23 (live launch).

GINDEX® PERFORMANCE REVIEW: This year, we again saw a slew of acquisitions within the [IPOX® Indexes](#) universe as incumbent acquirers capitalized anew on opportunities to add businesses and buy-to-grow amid shareholder pressures to successfully modernize into the next generation ("IPO M&A"). Deals included Twinkie maker **Hostess Brands** by **J M Smucker** (**+35%** premium), immunology pharma **Prometheus Biosciences** by pharma giant **Merck & Co.** (**+81%**), cancer drug maker **Karuna Therapeutics** by **Bristol Myers Squibb** (**+53%**) and cloud computing software firm **Vmware** by chipmaker **Broadcom** (**+37%**). Tracking respective acquirers, the innovative and super-liquid [GINDEX® U.S. Growth Infusion Index](#) (GNDX: **+20.19%**) finished 2023 close to its all-time high, now leading the **S&P 500** by **860 bps.** since its 08/2021 live launch. The portfolio of non-U.S. domiciled firms, the [GINDEX® International](#) (GNDXI), climbed **+10.22%** since its 03/23. //

IPOX® PORTFOLIO STOCKS IN FOCUS: Some of our top 2023 portfolio stocks profited from exposure to megatrends. Top to the list ranked heart disease buyout candidate **BridgeBio** (BBIO US: **+432.02%**) and Swiss inflammation biotech **Moonlake Immunotherapeutics** (MLTX US: **+495.05%**), as well as select big pharma benefiting from surging demand for dietary treatments (e.g. **Ozempic**, **Wegovy**), including **Novo Nordisk** (NOVOB DC: **+48.85%**) and **GINDEX®** core holding serial IPO acquirer **Eli Lilly** (LLY US: **+59.29%**). Advances around Artificial Intelligence and Industrial automation also propelled select tech exposure, including warehouse robot maker **Symbotic** (SYM US: **+328.39%**), data analysis firm **Palantir** (PLTR US: **+168.07%**), cybersecurity firm **CrowdStrike** (CRWD US: **+139.77%**) and Internet-of-Things specialist **Samsara** (IOT US: **+166.21%**). Amid Mobility being a key topic with advances in EV adoption and self-driving, we also note huge post-IPO gains in some of Indonesia's nickel mining and battery material sector, such as portfolio holdings **Amman Mineral** (AMMN IJ: **+273.22%**), **Barito Renewables Energy** (BREN IJ: **+666.67%**) and

©2023 IPOX Schuster LLC. IPOX® is an international trademark of IPOX Schuster LLC. Index of Initial Public Offerings (IPOX) and IPOX Derivatives Patent No. US 7,698,197. Use of IPOX® and the IPOX® Indexes or any part thereof is subject to applicable license only. This material is disseminated in the United States of America by IPOX Schuster LLC. This material, or any portion thereof, may not be reprinted, sold, or redistributed without the written consent of IPOX Schuster LLC. For further information, please email info@ipox.com, call our team at 1-312-339-4114 or send mail to IPOX Schuster LLC, 225 West Washington, Suite 1675, Chicago, IL 60606, U.S.A.

Petrindo Jaya Kreasi (CUAN IJ), which soared **+4,799.64%** since IPO as the country aims to transform into a green energy leader. In addition, **IPOX® International** (ETF: FPXI) holding South Korean battery material firm **Ecopro BM** (247540 KS: **+212.70%**) surged, supported by a short-selling-ban for Seoul-traded stocks. At the other end of the EV/climate change supply chain, we saw exceptional returns for premier climate play IPOX® heavyweight **Carrier Global** (CARR US: **+39.27%**), **Li Auto** (LI US: **+83.73%**) and **GINDEX® U.S.** member **Tesla** (TSLA US: **+101.69%**). Notable IPOX® additions included key 2023 IPO and Spin-Off launches, such as record-breaking chipmaker **Arm** (ARM US: **+51.90%**), solar tracking solutions firm **Nextracker** (NXT US: **+97.71%**), German footwear and mattress maker **Birkenstock** (BIRK US: **+7.61%**) and innovate household appliances producer **SharkNinja** (SN US: **+71.28%**). 🚀

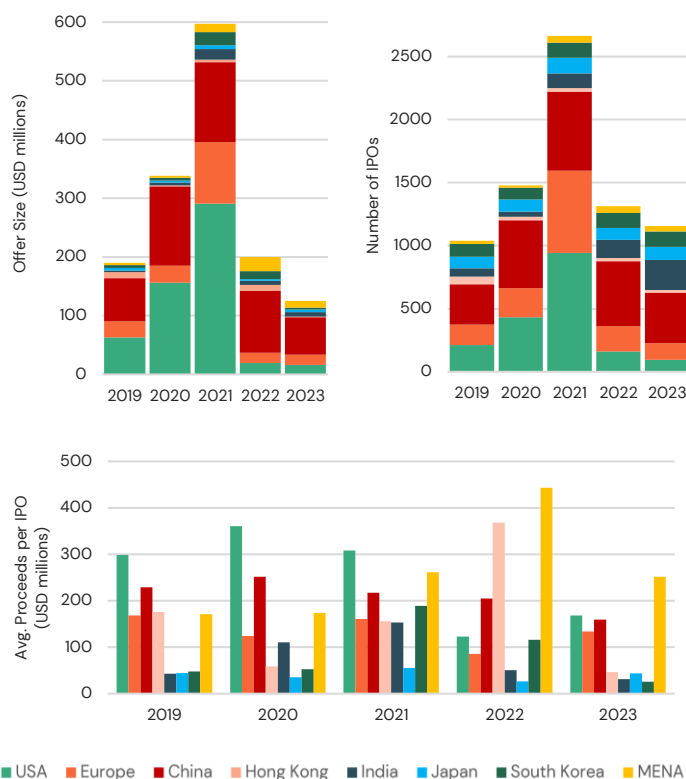
IPOX® SPAC INDEX (SPAC): The **Index** of 50 constituents trading at both the pre- and post-consumption stage finished the year with **+23.64%** in total return, outperforming the de-SPAC Index (DESPACTR Index) by a massive **+3,856 bps**. A total of 31 SPACs raised approximately \$3.7 billion through an IPO, the lowest level in both deal count and proceeds raised since 2017. 106 SPACs announced a potential target in 2023; **L Catterton Asia Acquisition** (LCAA US: **+6.73%**) signed the largest deal among all announced agreements with luxury vehicle **Lotus Tech** at an US\$5.5 billion valuation. 101 SPACs approved and/or completed merger in 2023 with Australian carbon fiber wheels manufacturer **Carbon Revolution Public** (CREV US: **+128.28%**) performed the best. 186 SPACs announced liquidation in 2023, highest level since 2016. 20 deSPAC were acquired/pending to be acquired by private equity firms or public companies. Among all non-OTC traded active deSPACs, bitcoin miner **Cipher Mining** (CIFR US: **+637.50%**) recorded the largest year-to-date return. 🚀

IPO MARKET REVIEW: In 2023, we identified a total of 1,452 IPOs globally, raising a total of \$135.76 billion. This represents a decline from the 1,772 firms that launched in 2022 (\$215.77 billion accumulative offer size) and still leaving a large gap to the 2021 highs. Focusing on some key statistics of 2023, we note an increase in the average size of U.S. IPOs, while volumes declined as firms delayed 'going public'. In the U.S., e.g. 95 IPOs raised a total of \$15.97 billion at an average offer size of \$168 million. Notably, some of the largest listings in the U.S. came from abroad, with British chipmaker **Arm** (ARM US: **+51.90%**), German footwear and mattress maker **Birkenstock** (BIRK US: **+7.61%**) and Israel-based beauty products online seller **Oddity Tech** (ODD US: **+35.00%**) leading the way, underlining the attractiveness of U.S. markets for their deeper pools of liquidity and potentially higher initial valuations.

TOP 10 IPOs IN 2023, BY OFFER SIZE (\$ MILLIONS)				
NAME	TICKER	COUNTRY	SIZE	OFFER TO DATE
Arm	ARM US	U.K.	5,227.50	+51.90%
Kenvue	KVUE US	U.S.	4,372.17	-2.41%
Adnoc Gas	ADNOCGAS UH	Abu Dhabi	2,476.58	+30.38%
Hidroelectrica	H2O RO	Romania	2,010.54	+23.08%
Birkenstock	BIRK US	Germany	1,483.87	+7.61%
Ades Holding	ADES AB	Abu Dhabi	1,219.08	+78.67%
China Fund Ma.	508028 CH	China	1,131.00	-2.48%
Schott Pharma	ISXP GR	Germany	1,000.04	+24.44%
Pure Health	PUREHEAL UH	Abu Dhabi	986.33	+74.85%
Kokusai Electric	6525 JP	Japan	844.13	+66.58%

Outside the Developed Markets, we continue to be excited about the rise in Indian IPO activity, with plans to facilitate access for international investors amid a record number of debuts this year. We also note the solid pace of large listings across the MENA region when compared to the rest of the world. As the region is diversifying away from fossil fuels, 'going public' in Saudi Arabia, e.g., is a policy tool to foster equity culture, stimulate economic growth and transform into the next generation, and has been compared to China efforts between 1990-2005. 🚀

IPO MARKET 2019-2023 IN NUMBERS:



IPO MARKET OUTLOOK: Amid the supportive macro backdrop, near-record backlog of deals and the need of pre-IPO investors to increase the velocity in their portfolios, we expect strong 2024 deal flow with a focus on specialty firms in growth industries. Potential key listings include social media platform **Reddit**, fashion firms **Shein** and **Skims**, data analytics firm **Databricks**, fintechs such as payment processor **Stripe** and buy-now-pay-later lender **Klarna**, U.K. banking innovators **Monzo**, **Starling Bank** and **Revolut** and payments firm **Waystar**. Key Spin-offs (GE, BAX, TRP, etc.) are set to add to the attractiveness of the 2024 New Listings vintage. Follow our social media channels and the **IPOX® IPO Calendar** to stay informed with the latest updates. 🚀



Happy New Year 2024
from the **IPOX** Team

For further information, please contact:
IPOX Schuster LLC, 225 West Washington, Suite 1675, Chicago, IL 60606
 +1 (312) 526 3634 | IPOX.COM | INFO@IPOX.COM