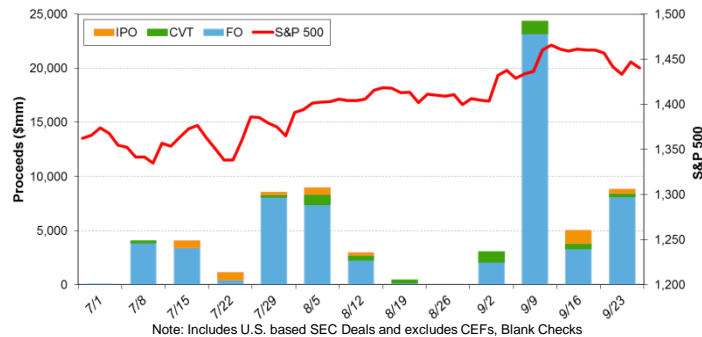


3rd Quarter US New Issuance

	Proceeds (\$mm)	# of Deals
IPOs	3,882.4	25
Follow-ons	49,743.3	98
Block Trades	17,209.7	40
Convertibles	5,112.5	24
Totals	75,947.9	187

New issuance markets boomed in Q3, topping Q2 on deal count and proceeds and also widely beating an anemic year-ago period. 187 total deals priced in Q3, compared with 155 last quarter and 87 in Q3 2011, when the debt ceiling debate froze new issuance markets. In contrast to last year, government action spurred markets higher last quarter with the anticipation and announcement of QE 3. Follow-on offerings were especially robust as issuers rushed to raise capital as long-term uncertainty remained over the "fiscal cliff" and European debt crisis.



Q3 Market Performance
S&P 500: +5.9% DJIA: +4.3% NASDAQ: +6.2%

The JOBS Act and Emerging Growth Companies

Introduction

On April 5, 2012, the House of Representatives passed the Jumpstart Our Business Startups (JOBS) Act in an effort to spur job creation and ease the initial public offering process for companies generating \$1B or less in revenue, designated as "emerging growth companies" (EGCs). While the long-term effects of the JOBS Act on the U.S. economy remain to be determined, its impact on the new issuance market has been immediate and significant, with over 100 issuers already identifying themselves as EGCs since the beginning of April. In this piece, we examine how EGCs have fared before, during, and after pricing in comparison to standard non-EGC issuers.

Since the signing of the JOBS Act, 103 issuers have classified themselves as EGCs. Thirty one of those companies have gone public, accounting for more than half of the 55 total IPOs during this time. Of these 31 EGCs now trading publicly, eight filed under the JOBS Act was signed, while 23 were so-called "dark flippers," retroactively assuming an "emerging growth company" status, as the legislation allows issuers that filed prior to April 5 to amend their filings if they qualify as EGCs.

Aftermarket Performance of EGCs

As part of easing the IPO process for EGCs, the JOBS Act aimed to reduce some of the regulatory burdens imposed by the SEC. While the reduced financial reporting requirements, including some exemptions from the Sarbanes-Oxley Act of 2002 and internal compliance standards, were meant to help smaller issuers, many worried the JOBS Act could potentially erode investor protection and ultimately their confidence in EGC IPOs. Thus far, however, EGC issuers have generally outperformed their non-EGC counterparts both in the near and long term (See Table 1). Issuers filing under the new EGC designation have priced more in line with their filing ranges, perhaps a result of their ability to "test the waters" with qualified institutional buyers prior to filing with the SEC, without violating the pre-filing and waiting period restrictions that standard issuers must follow.

Spunk, which was the first IPO to price as an EGC back in April, still holds the best first-day pop of any IPO this the year at 109%, and currently trades roughly 110% above its offer price. Other EGCs have seen similar demand as Five Below, Supernus Pharmaceuticals, and ServiceNow are all currently trading at double their offer prices.

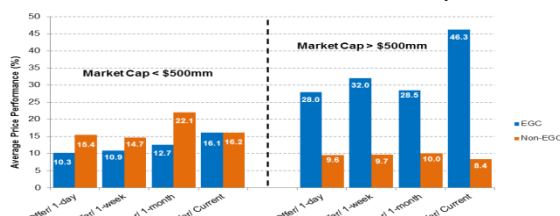
Methodology: The priced IPO universe for this analysis includes all target-US exchange deals pricing from 2010 through Q3 2012 and raising \$20 mm or more in proceeds. The universe of IPOs in the backlog includes all deals that have filed or amended within the last two years (through 9/30/12).

Table 1: Average Price Performance for 2012 YTD IPOs: EGCs vs. Non-EGCs

	Initial File/ Offer (%)	Amend. File/ Offer (%)	Offer/ 1- Day (%)	Offer/ 1- Week (%)	Offer/ 1- Month (%)	Offer/ Current (%)*
EGC	-2.6	-1.7	16.6	18.2	18.1	26.8
Non-EGC	-7.3	-5.5	12.8	12.5	16.8	12.7

*Normalized relative to S&P performance

Table 2: Price Performance Relative to Market Cap



While the JOBS Act looks to target smaller issuers, it has been the larger EGCs that appear to be benefiting the most. EGCs that have debuted with market caps over the \$500 mm threshold have

widely outperformed standard IPOs of equal size, while smaller EGCs have relatively underperformed their standard peers, albeit to a lesser extent (see Table 2).

(Please continue on Page 5)

Economic Highlights

Indicator	Q2	Q3	Indicator	June Release	September Release	Commodities	Q2 End	Q3 End
U.S. GDP	1.9%	1.3%	Jobless Rate	8.2%	8.1%	Crude Oil	\$84.96	\$92.19
Indicator	Q2 Δ	Q3 Δ	Consumer Sentiment	74.1	78.3	Natural Gas	\$2.82	\$3.32
Non-farm Payrolls	289,000	339,000	ISM Mfg. Index	53.5	49.6	Gold	\$1,604.20	\$1,773.90
Retail Sales ex-Auto	-0.2%	1.2%	ISM Services Index	53.7	53.7	Currencies	Q2 End	Q3 End
Factory Orders	-1.2%	3.0%	Capacity Utilization	79.0%	78.2%	EUR in USD	1.265	1.289
Industrial Production	0.3%	-0.2%	Housing Starts	708K	750K	GBP in USD	1.568	1.617
PPI	-1.2%	2.1%	Building Permits	780K	803K	USD in JPY	79.800	77.920
Core PPI	0.7%	0.8%	New Home Sales	369K	390K	Bond Yields	Q2 End	Q3 End
CPI	0.0%	0.6%	Existing Home Sales	4.55mm	4.82mm	U.S. Treasury - 2 year	0.31%	0.23%
Core CPI	0.6%	0.4%				U.S. Treasury - 10 year	1.65%	1.63%
						U.S. Treasury - 30 year	2.75%	2.82%

Quarter Ending September 30, 2012

U.S. Equity and Equity-Related League Table

Rank	Manager	2012 Q3			2012 Q2		
		Proceeds (\$mm)	Mkt. Share %	# of Deals	Proceeds (\$mm)	Mkt. Share %	# of Deals
1	Bank of America Merrill Lynch	8,902.6	11.7	60	7,399.6	11.9	41
2	Citi	8,740.9	11.5	51	7,822.4	12.5	54
3	Barclays	7,728.6	10.2	46	8,030.3	12.9	26
4	JP Morgan	7,403.4	9.7	57	6,886.1	11.0	44
5	Goldman Sachs & Co.	7,149.2	9.4	42	6,633.4	10.6	31
6	Deutsche Bank	7,094.6	9.3	51	3,981.6	6.4	30
7	Morgan Stanley	6,599.4	8.7	37	7,276.1	11.7	32
8	Credit Suisse	5,913.2	7.8	47	4,404.5	7.1	28
9	UBS AG	4,215.6	5.6	33	1,736.7	2.8	18
10	Wells Fargo Securities	4,201.8	5.5	35	1,770.8	2.8	21
Subtotal		67,949.3	89.5%	-	55,941.5	89.8%	-
Total		75,947.9	-	187	62,330.0	-	153

U.S. IPO League Table

Rank	Manager	2012 Q3			2012 Q2		
		Proceeds (\$mm)	Mkt. Share %	# of Deals	Proceeds (\$mm)	Mkt. Share %	# of Deals
1	Deutsche Bank	478.3	12.3	10	2,322.6	10.0	12
2	Bank of America Merrill Lynch	423.1	10.9	9	2,450.4	10.5	11
3	Morgan Stanley	410.6	10.6	7	2,582.5	11.1	11
4	Goldman Sachs & Co.	398.0	10.3	9	2,614.5	11.2	11
5	Credit Suisse	312.6	8.1	8	2,461.0	10.6	12
6	JP Morgan	282.6	7.3	6	2,480.7	10.7	12
7	UBS AG	281.5	7.3	5	407.2	1.8	5
8	Barclays	279.9	7.2	6	2,263.7	9.7	7
9	Jefferies & Company, Inc.	142.7	3.7	4	95.0	0.4	2
10	Wells Fargo Securities	128.2	3.3	4	267.2	1.1	4
SubTotal		3,137.5	80.8%	-	17,944.9	77.1%	-
Total		3,882.4	-	25	23,263.1	-	32

U.S. Follow-On League Table

Rank	Manager	2012 Q3			2012 Q2		
		Proceeds (\$mm)	Mkt. Share %	# of Deals	Proceeds (\$mm)	Mkt. Share %	# of Deals
1	Bank of America Merrill Lynch	8,191.5	12.2	46	3,842.5	11.8	25
2	Citi	8,123.8	12.1	43	4,497.0	13.8	33
3	Barclays PLC	6,509.9	9.7	34	5,689.9	17.5	18
4	Deutsche Bank	6,434.7	9.6	37	1,336.8	4.1	15
5	Goldman Sachs & Co.	6,155.0	9.2	29	3,223.9	9.9	16
6	Morgan Stanley	5,940.2	8.9	28	3,728.5	11.5	16
7	JP Morgan	5,928.4	8.9	40	2,843.8	8.7	24
8	Credit Suisse	5,201.9	7.8	34	1,756.0	5.4	15
9	Wells Fargo Securities	3,930.4	5.9	29	1,256.4	3.9	13
10	UBS AG	3,835.8	5.7	26	1,099.0	3.4	10
Subtotal		60,251.7	90.0%	-	29,273.8	90.0%	-
Total		66,953.0	-	138	32,523.0	-	102

U.S. Equity-Related League Table

Rank	Manager	2012 Q3			2012 Q2		
		Proceeds (\$mm)	Mkt. Share %	# of Deals	Proceeds (\$mm)	Mkt. Share %	# of Deals
1	JP Morgan	1,192.4	23.3	11	1,561.7	23.9	8
2	Barclays PLC	938.8	18.4	6	76.7	1.2	1
3	Goldman Sachs & Co.	596.3	11.7	4	795.0	12.1	4
4	Citi	530.3	10.4	7	647.2	9.9	6
5	Credit Suisse	398.6	7.8	5	187.5	2.9	1
6	Bank of America Merrill Lynch	288.0	5.6	5	1,106.7	16.9	5
7	Morgan Stanley	248.7	4.9	2	965.0	14.7	5
8	Deutsche Bank	181.6	3.6	4	322.2	4.9	3
9	RBC Capital Markets	150.0	2.9	1	0.0	0.0	0
10	Wells Fargo Securities	143.1	2.8	2	247.2	3.8	4
Subtotal		4,667.7	91.3%	-	5,909.0	90.3%	-
Total		5,112.5	-	24	6,544.0	-	19

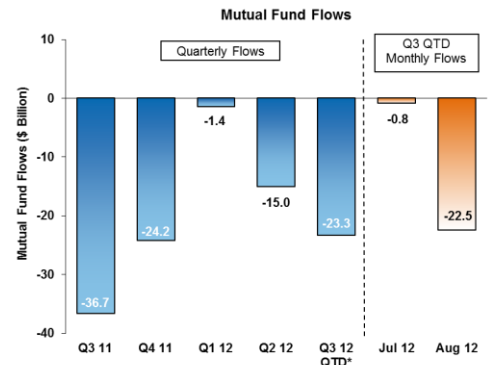
New Issuance Recap

- Equity markets made a strong recovery in the third quarter as steps were taken by central banks to cauterize the wounds caused by the global debt crisis. Total deal count for the third quarter was at 187 deals, a 117% increase from the year-ago period, while total proceeds came in at \$75.9B, a 230% increase, as companies sought capital amid a strengthening macroeconomic picture. The jump was helped significantly by two follow-on offerings from American International Group, totaling \$26.5B; removing AIG's offerings we still see proceeds jump 115% from last year's third quarter. Compared to Q2 2012, deal count improved by 20%, and proceeds increased by 22%. If we remove AIG's offerings in Q3 and Facebook's \$16.0B Q2 offering, we see that proceeds advanced by 7%, pointing to a slower recovery.

- Looking at IPOs, we continued to see a decline from Q2, with only 25 deals for total proceeds of \$3.9B. Compared to last year's third quarter we see a small increase in total count from 19, but proceeds remained unchanged from the previous year, pointing towards a trend of smaller sized deals given uncertainties in the macro environment. Fewer Energy companies went public in the third quarter as political tensions in the Middle East caused uncertainties in the oil markets. Compared to the previous year's third quarter of 5 energy deals for \$1.5B in proceeds, only 2 deals took place for \$485.6 mm. Technology continued to be a popular sector as 7 deals priced with proceeds totaling \$812.7 mm, up significantly from last year's 2 small deals for \$151.5 mm in proceeds. This number, however, is down drastically from the previous quarter's 8 deals for \$17.0B, which was made up mostly of Facebook's \$16.0B IPO.

- Follow-on deals made up the lion's share of total proceeds for the third quarter; excluding AIG's \$26.5B in offerings, 136 deals priced for \$40.5B, representing a 162% jump in proceeds from the previous year's third quarter. For the quarter, 67 of the 138 follow-ons were accelerated deals, representing \$40.4B in proceeds. The 49% of accelerated follow-ons compared to last quarter's 42% points to day-to-day uncertainties in the markets and issuers taking advantage of brief windows of optimism. AIG's overnight follow-on of \$20.1B represented the largest deal by total proceeds in the past two years. The offering which took place on the second Sunday of September, resulted in the second highest grossing week in the past two years, even with zero IPOs pricing that week.

Mutual Fund Flows



- U.S. equity mutual funds continued to hemorrhage capital in Q3 as investors kept pulling money in the face of a weakening global economy. Notably, with over \$23B of outflows already logged in Q3, mutual funds are on pace to see declining assets for a sixth consecutive quarter. In place of equity funds, investors continue to seek haven in bond and hybrid funds as they look to minimize their risk exposure given general volatility in the market.

Note: Includes only U.S. based SEC Deals; excludes CEFs and Blank Checks • Source: Ipreo Capital Markets

Source: Morningstar • *Quarter-To-Date data excludes September

Pricing Environment, Trends, & Backlog

Quarter Ending September 30, 2012

U.S. IPO Pricing Performance

Month	Total		Pricing Range			% Change	
	Proceeds (MM)	# of Deals	Above	Within	Below	Offer / 1 Day	Offer / 1 Mo
Jul/12	1,327.3	11	18%	45%	36%	13.7	20.8
Aug/12	1,034.4	7	43%		57%	11.1	20.8
Sep/12	1,520.7	7	14%	43%	43%	(20.6)	
YTD 12	33,478.6	97	20%	44%	36%	11.2	16.5

The IPO market finished the third quarter with an aggregate of \$3.9B raised on 25 deals, in-line with the year-ago period's \$3.9B on 19 issues. On a quarterly basis, the latest period underwhelmed Q2's \$23.2B significantly, though the comparisons are skewed due to Facebook's \$16.0B debut in May. The summer months' biggest transaction, at \$500.3 mm, belonged to Spirit Realty Capital, while Five Below garnered the biggest one-day pop at 55.9%. Overall, six Consumer Cyclical were featured, including three restaurant offerings which are all currently more than 10.0% above their offer prices.

Pricing Range % based on number of deals and revised file price or price range. Transactions greater than \$20mm. Excludes closed-end funds, equity units, block trades, and blank checks.

U.S. Follow-On Pricing Performance

Month	Total		Marketing Period		% Change		
	Proceeds (MM)	# of Deals	Accelerated	Fully-Mktd	Last / Offer	File / Offer	Offer / 1 Mo
Jul/12	3,325.5	24	79%	21%	(4.7)	(6.4)	3.3
Aug/12	11,547.7	30	73%	27%	(3.7)	(7.1)	6.4
Sep/12	34,870.1	44	68%	32%	(2.9)	(5.0)	
YTD 12	107,332.1	287	65%	35%	(4.7)	(6.6)	3.8

Follow-on activity was robust in the last three months, as deal count improved by 19.5% from Q2, while aggregate proceeds almost doubled during the same period. The biggest player in the quarter was the U.S. Treasury, as Uncle Sam continued to unwind its stake in insurer AIG via two overnight offerings totaling \$26.4B. Meanwhile, REITs were the most prevalent industry in the July-September period, as 16 placements generated \$5.1B for issuers, or approximately 10.3% of all funds raised.

2012 Q3 Priced by Industry

Rank	Industry	Proceeds (\$mm)	Market Share (%)	# of Deals
1	Financials	35,753.6	47.1	31
2	REITs	11,234.2	14.8	32
3	Energy	8,520.6	11.2	23
4	Consumer Cyclical	6,466.9	8.5	24
5	Healthcare	3,081.2	4.1	25
6	Technology	2,714.8	3.6	18
7	Materials	2,243.8	3.0	7
8	Consumer Non-Cyclical	2,089.1	2.8	5
9	Transportation	1,607.0	2.1	9
10	Utilities	1,371.9	1.8	4
11	Industrials	760.0	1.0	7
12	Telecommunications Services	105.0	0.1	2
Total		75,947.9		187

Industry Highlights

- Financials returned to the top spot in Q3, pricing nine more deals and raising 145% more capital compared to the previous quarter. While 29 Financial deals came to market, two of them accounted for roughly 75% of the sector's proceeds, or more than a third of all capital raised during the period, as the Treasury continued to relinquish shares of AIG and cut its stake to around 20%.

- Excluding the AIG deals, it was the REIT sector that shone brightest during the quarter as its attractive payout structure and tangible cash flows continue to attract investors. Markedly, REITs priced more deals than any other sector during the period with 32 issuers raising over \$11.2B in proceeds. Similar to REITs, the Energy sector also garnered attention as yield-starved investors looked to MLPs to replace typical debt securities and their persistently depressed interest rates.

- Consumer Cyclical also had an impressive showing in Q3 as a pickup in the real estate market allowed homebuilders raise capital and issue new debt. Additionally, three restaurant companies debuted during the quarter, led by Bloomin' Brands \$202.3 mm offering.

Backlog Highlights

TOP BOOKRUNNERS IN BACKLOG

Rank	Manager	Proceeds (\$mm)	Market Share (%)	# of Deals
1	The Goldman Sachs Group, Inc.	2,155.9	13.2	16
2	Bank of America Merrill Lynch	2,027.0	12.4	20
3	Morgan Stanley	1,969.1	12.1	15
4	J.P. Morgan Chase & Co	1,582.8	9.7	14
5	Barclays PLC	1,282.7	7.9	12
6	Citi	1,190.2	7.3	13
7	Credit Suisse	1,187.9	7.3	13
8	Deutsche Bank	858.7	5.3	14
9	UBS AG	675.0	4.1	12
10	Wells Fargo Securities	484.3	3.0	7
SubTotal		13,413.6	82.2	53
Total		16,515.3	100.0	76

TOP FILED DEALS

Rank	Issue Name	Issue Type	Amt Filed (\$mm)	Industry
1	Intelsat S.A.	IPO	1,750.0	Technology
2	Linn Co, LLC	IPO	1,000.0	Energy
3	Realogy Holdings Corp.	IPO	1,000.0	Financials
4	Chesapeake Oilfield Services, Inc.	IPO	862.5	Energy
5	Coty Inc.	IPO	700.0	Consumer Non-Cyc.
6	Workday, Inc.	IPO	511.9	Technology
7	Berry Plastics Group, Inc.	IPO	500.0	Materials
8	Affiliated Managers Group, Inc.	FO	400.0	Financials
9	Safety-Kleen, Inc.	IPO	400.0	Industrials
10	CEVA Logistics Inc.	IPO	400.0	Transportation
SubTotal			7,524.4	
Total			16,515.3	

The current backlog of 76 deals lags considerably behind the year-ago period on both deal count and proceeds, as issuers across all sectors continue to wait on the sidelines amid persistent broader market volatility. Overall, these issuers seek to raise \$16.5B in combined proceeds, down by nearly half from last year's 144 deals, which filed for \$28.4B. Despite trailing the year-ago period, average deal size increased from \$197.5 mm last year to \$217.3 mm this year, helped by large filings from Intelsat (\$1.8B), Linn Co. (\$1.0B) and Realogy Holdings (\$1.0B). On the IPO front, the Energy sector claims the top spot for both deal count (15) and proceeds (\$4.4B), with three deals hoping to raise more than \$500.0 mm each. While Energy issuers are the most prevalent in the IPO backlog, Healthcare issuers have fared the best, as it is the only sector to lead the year-ago period on both deal count and proceeds.

Backlog represents filings within the last 180 days

Source: Ipreo Capital Markets

Note: Includes U.S. based SEC Deals and excludes CEFs and Blank Checks

Top U.S.-Based Deals by Proceeds

Quarter Ending September 30, 2012

U.S. IPOs

2012 Rank	Offer Date	Issuer	Ticker	Proceeds + Ovl (\$mm)	Shares Offered Inc Ovl	Offer Price	Original File Range	Price Performance % Change			Bookrunner(s)	Industry
								Latest Midpoint / Offer	Offer / 1 Day	Offer / Qtr End		
7	9/19/12	Spirit Realty Capital, Inc.	SRC	500.3	33.4	15.00	16.00 - 18.00	(11.8)	0.0	3.3	MS, MACQUARIE, UBS, DB, RBC	Financials
21	7/25/12	Northern Tier Energy LP	NTI	261.6	18.7	14.00	19.00 - 21.00	(30.0)	1.1	50.9	GS, BRCLY, BAML, CS, DB, UBS	Energy
22	7/19/12	Palo Alto Networks Inc.	PANW	260.4	6.2	42.00	34.00 - 37.00	18.3	26.5	46.6	MS, GS, CITI	Technology
23	9/27/12	Summit Midstream Partners, LP	SMLP	250.0	12.5	20.00	19.00 - 21.00	0.0	5.5	5.5	BRCLY, BAML, GS, MS	Utilities
25	8/9/12	Manchester United Ltd.	MANU	233.3	16.7	14.00	16.00 - 20.00	(22.2)	0.0	(9.1)	JEFFER, CS, JPM, BAML, DB	Consumer Cyc.
Total (\$mm):				1,505.6			Mean:	(9.1)	6.6	19.5		
% of Total Q1 IPOs:				6.5%			Median:	(11.8)	1.1	5.5		

U.S. Marketed Follow-Ons

2012 Rank	Offer Date	Issuer	Ticker	Proceeds + Ovl (\$mm)	Shares Offered Inc Ovl	Offer Price	Accelerated Deal	Price Performance % Change			Bookrunner(s)	Industry
								Latest File / Offer	Last Trade / Offer	Offer / Qtr End		
1	9/10/12	American International Group, Inc.	AIG	20,700.0	636.9	32.50	✓	(4.4)	(2.4)	0.9	CITI, DB, GS, JPM, BAML, BRCLY, MS, RBC, UBS, WFC, CS	Financials
3	8/3/12	American International Group, Inc.	AIG	5,750.0	188.5	30.50	✓	(2.7)	(2.7)	7.5	BAML, BRCLY, CITI, CS, DB, GS, JPM, MACQUARIE, MS, UBS, WFC	Financials
6	9/25/12	Grupo Financiero Santander Mexico, S.A.B. de C.V.	BSMX	2,902.8	238.2	12.18		2.8	(9.7)	12.4	SANTANDER, UBS, DB, BAML, BRCLY, CITI, CS, GS, JPM, RBC, ITAU	Financials
7	9/27/12	Dollar General Corp.	DG	1,863.0	36.0	51.75	✓	(2.1)	(0.5)	(0.4)	CITI, GS, KKR	Consumer Cyc.
9	9/18/12	Health Care REIT, Inc.	HCN	1,674.4	29.9	56.00	✓	(3.8)	(1.2)	3.1	BAML, JPM, MS, DB, WFC, KEYBANC	Financials
Total (\$mm):				32,890.2				Mean:	(2.0)	(3.3)	4.7	
% of Total Q1 Follow-Ons:				132.2%				Median:	(2.7)	(2.4)	3.1	

U.S. Block Trades

2012 Rank	Offer Date	Issuer	Ticker	Proceeds + Ovl (\$mm)	Shares Offered Inc Ovl	Offer Price	# Trading Days Deal Size Represents	Price Performance % Change			Bookrunner(s)	Industry
								Last Trade / Offer	Offer / 1 Day	Offer / Qtr End		
1	9/4/12	Capital One Financial Corp.	COF	3,012.1	54.0	55.75	9	(1.3)	0.8	2.3	BAML, MS, CITI	Financials
2	8/10/12	Kinder Morgan, Inc.	KMI	2,317.8	66.7	34.75	36	(3.0)	(0.3)	2.2	BRCLY, DB	Energy
6	7/18/12	American Capital Agency Corp.	AGNC	1,254.9	36.8	34.10	6	(3.4)	(0.5)	1.5	BAML, BRCLY, CITI, GS, JPM	Financials
8	9/4/12	LyondellBasell Industries N.V.	LYB	944.7	20.1	46.94	4	(0.1)	0.1	10.1	GS, DB, MS	Materials
9	9/19/12	Simon Property Group, Inc.	SPG	908.3	5.9	154.64	3	(3.8)	0.8	(1.8)	BAML	Financials
Total (\$mm):				8,437.7				Mean:	(2.3)	0.2	2.8	
% of Total Q1 Block Trades:				114.3%				Median:	(3.0)	0.1	2.2	

U.S. Equity Related

Convertible Debt

2012 Rank	Offer Date	Issuer	Ticker	Proceeds + Ovl (\$mm)	Coupon	Premium	Maturity	Coupon Talk	Premium Talk	Bookrunner(s)	Industry
9	9/12/12	Jarden Corp.	JAH	500.0	1.875	34.0	9/15/18	1.875-1.875	27.5-32.5	BRCLY, JPM	Consumer Non-Cyc.
12	8/17/12	Molycorp, Inc.	MCP	414.0	6.000	20.0	9/1/17	5.500-6.000	20.0-25.0	MS, CS	Materials
16	8/7/12	Horbeck Offshore Services, Inc.	HOS	300.0	1.500	37.5	9/1/19	1.500-2.000	32.5-37.5	BRCLY, JPM, WFC	Transportation
17	8/22/12	Wright Medical Group, Inc.	WMGI	300.0	2.000	27.5	8/15/17	2.250-2.750	22.5-27.5	JPM	Healthcare
Total (\$mm):				2,164.0							
% of Total Q1 Equity Related:				33.2%							

Notes: Includes U.S. based SEC Deals and excludes CEFs and Blank Checks

Emerging Growth Companies (cont'd)

Quarter Ending September 30, 2012

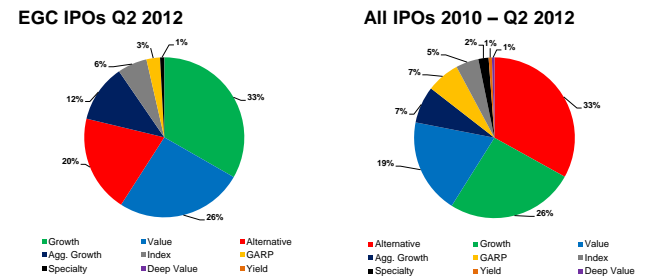
EGC Ownership

For the ownership analysis, we queried public U.S. ownership data for the first calendar quarter post-pricing (referred to as "Q+1") for deals pricing from 2010 through Q2 2012. For each quarter, we aggregated the IPO value held and number across investors.

Despite the notion that EGCs carry more risk to investors than standard IPOs, perhaps deterring certain firms from taking a stake in these smaller companies, IPO ownership at first filing over the last two years tells a different story. In fact, EGCs appear to attract key institutional IPO buyers such as Blackrock, Fidelity and Columbia Management (See Table 4). In addition, all of the top ten institutional IPO buyers over the last two years held at least one EGC security at the end of Q2 2012, further suggesting that EGCs have not deterred the standard IPO investors (See Table 3).

EGC Ownership by Style

Excluding Private Equity and Venture Capital investors, style composition of EGC holders at first filing reflects a broader growth pattern than is typical of IPO ownership over the last two years. Growth and Aggressive Growth investors account for 33% and 12% of all EGC offerings by value held, respectively, compared to 26% and 7% for all IPOs at first filing from 2010 through Q2 2012. EGCs show a smaller share of Alternative-oriented holders (20%), however, compared to that of all IPOs since 2010 (33%). Aside from these differences, EGC investors appear to share similar style composition to that of standard IPO holders at first filing over the last two years.

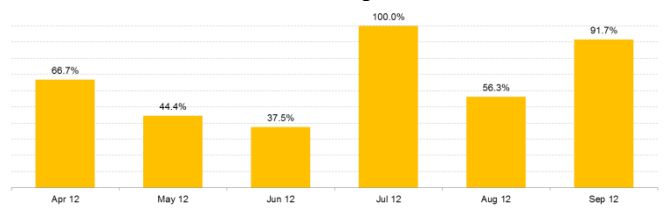


Backlog

The current U.S. backlog of 90 deals contains 53 EGCs, 30 of which are so-called "dark flippers." While the majority of EGCs in the pipeline filed pre-JOBS Act, the number of initial filings by EGCs per month has increased significantly over the last six months. In April, 67% of all new filings were EGCs, compared to 100% in July and 92% in September.

Despite the seemingly large inflow of new filings to the pipeline, the backlog continues to trail behind the year-ago period on both deal count and proceeds. While volatile market conditions and worries over the health of the global economy have pushed issuers to the sidelines in recent months, the considerable lag in the pipeline may also come from the number of EGCs filing confidentially with the SEC. Overall, deal count has declined every month year-to-date, but it experienced a noticeable dip from March to April (155 to 136) and then again from April to May (136 to 112), coinciding directly with the passing of the JOBS Act in early April. Current filed proceeds also witnessed a large decline of roughly \$20B in May, though this can be attributed largely to Facebook Inc.'s mammoth \$17B offering.

Table 6: EGCs as a Percent of New Filings



Of note, the decline in the backlog is most prominent among smaller-sized deals, in particular among issuers seeking to raise less than \$100 mm in proceeds. Compared to last year, this size band lags by 35 deals, the most of any size group. In addition, all but six deals in this size group are EGCs, further suggesting that the JOBS Act is significantly affecting this category of deals in the pipeline.

Table 3: Top 10 IPO Investors at First Filing (2010 - 2012 YTD)

Investor	EAUM (\$M)	Style	% T/O	City	Total Q+1 # Bought	Total Q+1 Val. Bought (\$mm)
Columbia Management Investment Advisers, LLC	119,751.0	Value	38.9%	Boston	203	1,219.0
Deutsche Bank Trust Company Americas	51,901.7	Value	89.4%	New York	188	260.4
UBS Financial Services, Inc. (Investment Advisor)	50,715.3	GARP	52.4%	New York	187	131.6
TIAA-CREF Investment Management	184,875.2	Index	28.5%	New York	177	670.4
BlackRock Fund Advisors	757,604.8	Index	11.8%	San Francisco	175	1,388.4
BlackRock Advisors, LLC	186,687.0	Value	37.9%	New York	171	1,015.5
Oxford Asset Management, LLP	6,757.7	Alternative	191.2%	Oxford	166	234.3
Fidelity Management & Research Company	548,190.6	Growth	38.8%	Boston	165	6,719.5
Northern Trust Investments, Inc.	199,599.2	Index	15.8%	Chicago	165	212.5
State Street Global Advisors (SSGA)	651,284.2	Index	8.1%	Boston	157	483.7

Table 4: Top 10 EGC Investors at First Filing (Q2 2012)

Investor	EAUM (\$M)	Style	% T/O	City	Q+1 # Bought	Q+1 Val. Bought (\$mm)
Columbia Management Investment Advisers, LLC	119,751.0	Value	38.9%	Boston	12	55.6
Citadel Advisors, LLC	30,245.2	Alternative	162.1%	Chicago	11	42.9
Oxford Asset Management, LLP	6,757.7	Alternative	191.2%	Oxford	11	20.6
BlackRock Fund Advisors	757,604.8	Index	11.8%	San Francisco	10	46.2
State Street Global Advisors (SSGA)	651,284.2	Index	8.1%	Boston	10	16.6
Northern Trust Investments, Inc.	199,599.2	Index	15.8%	Chicago	10	12.0
BlackRock Advisors, LLC	186,687.0	Value	37.9%	New York	10	7.2
TIAA-CREF Investment Management	184,875.2	Index	28.5%	New York	10	11.6
Geode Capital Management, LLC	103,421.8	Index	7.8%	Boston	10	5.2
Deutsche Bank Trust Company Americas	51,901.7	Value	89.4%	New York	10	0.2

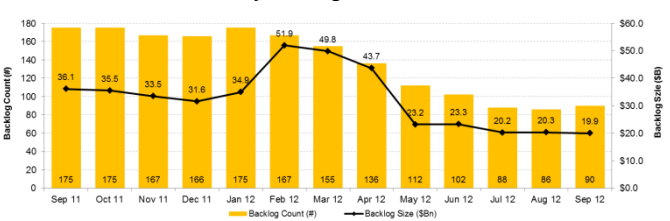
Pension Fund Investors

Of note, several large pension funds bought EGCs in Q2 2012, including California Public Employees Retirement System (CalPERS) (See Table 5). While these institutions are not new to the IPO market, their presence in EGC ownership, in particular CalPERS, stands out given their strong and public opposition to the JOBS Act. Despite concerns over a lack of important investor protection measures in the new legislation for EGCs, CalPERS and 11 other public pension funds still held 43 positions in EGCs combined as of the end of Q2. It is important to note, however, that these pension funds may have acquired shares by outsourcing their passive equity investments to other institutions, while still maintaining voting rights on those shares.

Table 5: Top 10 EGC Pension Fund Investors at First Filing (Q2 2012)

Investor	EAUM (\$M)	Style	% T/O	City	Q+1 # Bought	Q+1 Val. Bought (\$mm)
California State Teachers Retirement System	26,848.3	Index	6.3%	West Sacramento	10	2.7
California Public Employees Retirement System	53,190.9	Index	11.0%	Sacramento	9	1.0
Ohio Public Employees Retirement System	17,742.1	Growth	33.2%	Columbus	6	8.6
Kentucky Teachers' Retirement System	7,535.5	Index	21.9%	Frankfort	5	1.7
New Jersey Division of Investment	32,564.3	Value	33.2%	Trenton	3	1.6
Caisse de dépôt et placement du Québec	53,624.4	Value	25.2%	Montreal	2	10.7
State of Wisconsin Investment Board	25,354.4	Growth	23.4%	Madison	2	1.2
Pennsylvania Public School Employees' Retirement System	5,777.5	Index	38.0%	Harrisburg	2	4.4
New York State Common Retirement Fund	52,077.5	Index	12.2%	Albany	1	0.0
Teacher Retirement System of Texas	15,620.8	GARP	64.3%	Austin	1	0.7

Table 7: Cumulative Monthly Backlog



Deal Size	Current #	Year-Ago #	Y-Y Δ	Current (\$mm)	Year-Ago (\$mm)	Y-Y % Δ
\$500mm or More	9	18	-9	8,126.2	12,796.8	-36.5%
\$300 to \$500mm	10	20	-10	3,315.0	6,977.0	-52.5%
\$100 to \$300mm	43	73	-30	6,731.2	11,504.7	-41.5%
Less than \$100mm	28	63	-35	1,768.0	4,501.2	-60.7%
All Deal Size Total	90	174	-84	19,940.4	35,779.7	-44.3%

Year-to-Date New Issuance Leaders

Quarter Ending September 30, 2012

U.S. Equity and Equity-Related League Table

Rank	Manager	2012 Q3			2011 Q3		
		Proceeds (\$mm)	Mkt. Share %	# of Deals	Proceeds (\$mm)	Mkt. Share %	# of Deals
1	Citi	24,886.3	12.9	159	16,540.4	9.7	114
2	Bank of America Merrill Lynch	22,023.4	11.4	158	18,385.0	10.8	137
3	JP Morgan	21,002.4	10.9	161	21,162.2	12.4	138
4	Morgan Stanley	20,873.6	10.8	120	18,271.7	10.7	123
5	Barclays	19,666.6	10.2	115	13,988.9	8.2	93
6	Goldman Sachs & Co.	18,958.8	9.8	111	20,092.8	11.8	92
7	Credit Suisse	15,536.6	8.0	113	14,679.4	8.6	76
8	Deutsche Bank	14,372.6	7.4	118	12,114.2	7.1	94
9	UBS AG	8,463.5	4.4	81	8,978.8	5.3	55
10	Wells Fargo Securities	7,873.2	4.1	87	7,182.3	4.2	76
Subtotal		173,657.0	89.9%	-	151,395.7	88.5%	-
Total		193,085.4		538	170,976.9		518

U.S. IPO League Table

Rank	Manager	2012 Q3			2011 Q3		
		Proceeds (\$mm)	Mkt. Share %	# of Deals	Proceeds (\$mm)	Mkt. Share %	# of Deals
1	Morgan Stanley	3,767.5	11.2	29	4,569.9	13.7	35
2	Goldman Sachs & Co.	3,699.2	11.0	31	4,734.8	14.2	25
3	JP Morgan	3,682.3	11.0	34	3,174.3	9.5	28
4	Credit Suisse	3,342.0	10.0	28	2,331.7	7.0	19
5	Bank of America Merrill Lynch	3,341.9	10.0	28	3,165.4	9.5	27
6	Citi	3,332.6	10.0	27	2,970.5	8.9	25
7	Deutsche Bank	3,317.8	9.9	31	2,967.5	8.9	24
8	Barclays	2,863.8	8.6	20	3,827.8	11.5	19
9	Allen & Company LLC	1,778.5	5.3	1	0.0	0.0	0
10	UBS AG	859.3	2.6	14	571.3	1.7	10
SubTotal		29,985.0	89.5%	-	28,313.2	85.0%	-
Total		33,493.2		97	33,300.3		100

U.S. Follow-On League Table

Rank	Manager	2012 Q3			2011 Q3		
		Proceeds (\$mm)	Mkt. Share %	# of Deals	Proceeds (\$mm)	Mkt. Share %	# of Deals
1	Citi	20,042.5	13.9	117	9,829.3	8.6	74
2	Bank of America Merrill Lynch	16,174.8	11.2	114	12,872.8	11.3	92
3	Morgan Stanley	15,705.2	10.9	81	11,250.8	9.8	74
4	Barclays	15,570.7	10.8	86	9,144.6	8.0	66
5	JP Morgan	14,258.7	9.9	104	13,793.6	12.1	81
6	Goldman Sachs & Co.	12,764.8	8.9	70	11,294.0	9.9	51
7	Credit Suisse	11,608.5	8.1	79	11,618.1	10.2	50
8	Deutsche Bank	10,551.0	7.3	80	8,171.0	7.1	57
9	UBS AG	7,171.8	5.0	61	7,143.9	6.3	37
10	Wells Fargo Securities	6,800.1	4.7	68	5,283.6	4.6	60
Subtotal		130,648.1	90.6%	-	100,401.5	87.8%	-
Total		144,201.1		386	114,299.9		346

U.S. Equity-Related League Table

Rank	Manager	2012 Q3			2011 Q3		
		Proceeds (\$mm)	Mkt. Share %	# of Deals	Proceeds (\$mm)	Mkt. Share %	# of Deals
1	JP Morgan	3,061.3	19.9	23	4,194.3	17.9	29
2	Bank of America Merrill Lynch	2,506.7	16.3	16	2,346.8	10.0	18
3	Goldman Sachs & Co.	2,494.8	16.2	10	4,064.0	17.4	16
4	Citi	1,511.2	9.8	15	3,740.6	16.0	15
5	Morgan Stanley	1,401.0	9.1	10	2,451.1	10.5	14
6	Barclays	1,232.1	8.0	9	1,016.4	4.3	8
7	Credit Suisse	586.1	3.8	6	729.7	3.1	7
8	Deutsche Bank	503.8	3.3	7	975.7	4.2	13
9	Wells Fargo Securities	497.6	3.2	8	409.4	1.8	5
10	UBS AG	432.4	2.8	6	1,263.6	5.4	8
Subtotal		14,226.9	92.4%	-	21,191.6	90.7%	-
Total		15,391.2		55	23,376.7		72

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