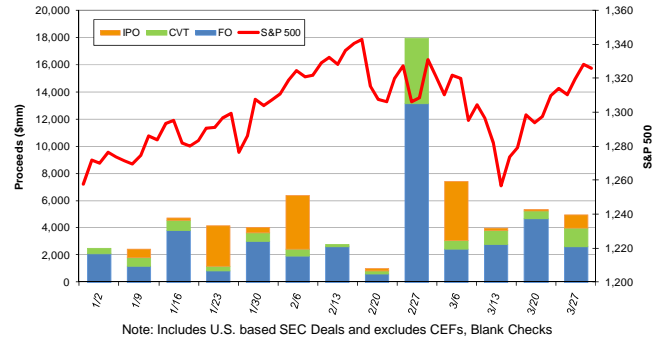


### Intelligence for Equity Capital Markets

Quarter Ending March 31, 2011

1st Quarter U.S.-Domiciled New Issuance		
	Proceeds (\$mm)	# of Deals
IPOs	13,894.4	25
Follow-ons	32,193.0	136
Block Trades	11,687.7	28
Convertibles	12,028.2	35
<b>Totals</b>	<b>69,803.4</b>	<b>224</b>

The U.S. primary markets proved their resiliency in Q1, overcoming the traditional January lull and unrest abroad to price the largest amount of proceeds for a first quarter in at least a decade. Given that a Q1 has not led quarterly new issuance in any given year since 2004, these past three months have set the stage for a strong 2011 on the back of several mega debuts. Investors proved particularly hungry for PE-backed offerings, as several selling shareholders turned to IPOs to monetize profits.



**Q1 Market Performance**  
**S&P 500: 5.4% DJIA: 6.4% NASDAQ: 4.8%**

### For PE Firms, Cash Now or Profits Later?

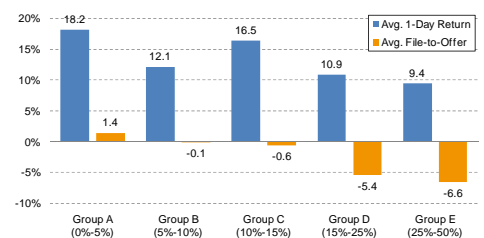
PE-backed IPOs continued to occupy the spotlight in the first quarter, led by the well received return of three leveraged buyout co-stars: Kinder Morgan, HCA Holdings, and Nielsen Holdings. Looking at financially sponsored IPOs since 2008, secondary share selling has shown a strong correlation with both the deal's first-day performance and the filing price to offer price. Over the period, divestitures in IPOs have ranged anywhere from 0% to nearly 50% of the issuer's total shares outstanding, and principal shareholders issuing a smaller percent of the company's total value have enjoyed a greater first-day pop – averaging 18% over the last 13 quarters. Conversely, as the percent of the company being divested through the IPO rises, the first-day return typically falls [see figure A]. While every company has its own story, the trend suggests that investors may take a cue from savvy backers and are more willing to support a deal in which a financial sponsor maintains a larger exposure.

Figure A

Year	Group	Percent of Company Sold Through Secondary Shares	# of IPOs	Performance	
				Avg. 1-Day Return (%)	Avg. File-to-Offer (%)
2008 - 2011 YTD	A	0 < % <= 5	30	18.2	1.4
	B	5 < % <= 10	32	12.1	-0.1
	C	10 < % <= 15	20	16.5	-0.6
	D	15 < % <= 25	14	10.9	-5.4
	E	25 < % <= 50	8	9.4	-6.6
Q1 2011	B	Cornerstone OnDemand		46.7	30.0
	B	Epocrates		37.3	14.3
	B	Demand Media		33.2	13.3
	C	Kinder Morgan		3.5	9.1
D	MagnaChip Semiconductor		0.1	-12.5	

The most recent quarter upheld this trend, particularly within Group B, where offerings from Cornerstone OnDemand, Epocrates, and Demand Media recorded first-day pops of 47%, 37%, and 33%, respectively. By contrast, Kinder Morgan (Group C) and MagnaChip (Group D) were much more muted on their first days of trading [see figure A].

Pricing & After-Market Performance by Group



For this same universe, there is also a measurable correlation between the relative size of the selling shareholders' divestment and the discount from file price to offer price. Looking within the same groups, we see that deals in which principal shareholders are selling a greater stake of the total company typically take a greater discount. The sharp discounting may display the loss of negotiating power that selling shareholders face when pressed to monetize positions. For IPOs in Group E, the highest range, offer prices were discounted an average of 6.6% from last filed price, while offer prices rose slightly for Group A [see figure A]. This correlation implies that backers unwilling or unable to spread out their sale across subsequent follow-ons may be forced to take a larger discount for divestitures that represent a greater percent of outstanding shares.

Of the IPOs examined, 22 companies, or 21%, have since gone on to issue follow-on offerings with additional secondary share divestitures. With the exception of Group C, which was dragged down by SPS Commerce, the firms that sold less principal ownership enjoyed larger returns between initial offering and first follow-on [see figure B]. The continued interests and subsequent appreciation allowed selling shareholders to capture a 64% return on average between the two offerings, compared with an average 13% return for the non PE-backed IPOs that have issued subsequent follow-ons with secondary shares.

Figure B

Group	Avg. Offer to Follow On (%)
A	83.6
B	61.6
C	53.6
D	63.0
E	59.2
Avg.	64.0

While many private equity funds may be cashing out of investments as they near the end of their lifecycle, the statistics tell a compelling story for financial sponsors to forego large liquidations in an IPO: Both companies and their investors alike may be able to enjoy greater sustained returns if financial backers are able and willing to maintain a position past the initial offering and help guide a company through the early stages of its public life.

### Economic Highlights

Indicator	Q3	Q4
U.S. GDP	2.6%	3.1%
Indicator	Q4 Δ	Q1 Δ
Non-farm Payrolls	202,000	376,000
Retail Sales ex-Auto	2.3%	1.6%
Factory Orders	2.3%	6.1%
Industrial Production	-0.1%	1.4%
PPI	1.6%	3.3%
Core PPI	-0.2%	0.9%
CPI	0.4%	1.3%
Core CPI	0.1%	0.5%

Indicator	December Release	March Release
Jobless Rate	9.8%	8.9%
Consumer Sentiment	74.2	68.2
ISM Mfg. Index	56.6	61.4
ISM Services Index	55.0	59.7
Capacity Utilization	75.2%	76.3%
Housing Starts	555K	479K
New Home Sales	290K	250K
Existing Home Sales	4.68mm	4.88mm

Commodities	Q4 End	Q1 End
Crude Oil	\$91.38	\$106.72
Natural Gas	\$4.41	\$4.39
Gold	\$1,421	\$1,440
Currencies	Q4 End	Q1 End
EUR in USD	1.338	1.416
GBP in USD	1.561	1.603
USD in JPY	81.18	83.36
Bond Yields	Q4 End	Q1 End
U.S. Treasury - 2 year	0.59%	0.82%
U.S. Treasury - 10 year	3.29%	3.47%
U.S. Treasury - 30 year	4.33%	4.51%

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Quarter Ending March 31, 2011

### U.S. Equity and Equity-Related League Table

Rank	Manager	2011 Q1			2010 Q1		
		Proceeds (\$mm)	Mkt. Share %	# of Deals	Proceeds (\$mm)	Mkt. Share %	# of Deals
1	Goldman Sachs & Co.	12,578.6	18.0	43	3,572.2	9.4	25
2	Citi	7,899.9	11.3	38	1,775.5	4.7	23
3	Barclays	6,782.0	9.7	37	1,913.1	5.0	23
4	JP Morgan	6,498.2	9.3	47	7,997.9	21.0	46
5	Bank of America Merrill Lynch	6,356.7	9.1	47	3,875.6	10.2	39
6	Deutsche Bank	6,122.6	8.8	45	1,303.1	3.4	16
7	Credit Suisse	6,043.4	8.7	28	2,441.3	6.4	24
8	Morgan Stanley	5,812.5	8.3	38	4,971.1	13.0	45
9	Wells Fargo Securities	2,744.7	3.9	31	1,376.4	3.6	24
10	UBS AG	2,316.3	3.3	23	3,051.3	8.0	29
Subtotal		63,155.0	90.5%	-	32,277.6	84.7%	-
Total		69,803.4		224	38,117.2		192

### U.S. IPO League Table

Rank	Manager	2011 Q1			2010 Q1		
		Proceeds (\$mm)	Mkt. Share %	# of Deals	Proceeds (\$mm)	Mkt. Share %	# of Deals
1	Goldman Sachs & Co.	3,049.7	21.9	9	631.8	17.2	7
2	Barclays	2,230.1	16.0	4	271.6	7.4	2
3	Morgan Stanley	1,476.6	10.6	7	478.9	13.0	8
4	Deutsche Bank	1,469.3	10.6	10	281.0	7.7	4
5	Bank of America Merrill Lynch	1,053.2	7.6	5	297.8	8.1	4
6	JP Morgan	1,012.3	7.3	5	641.3	17.5	9
7	Citi	1,003.4	7.2	6	455.5	12.4	3
8	Credit Suisse	879.4	6.3	3	168.1	4.6	3
9	Wells Fargo Securities	739.9	5.3	3	0.0	0.0	0
10	FBR Capital Markets	189.2	1.4	1	0.0	0.0	0
SubTotal		13,103.1	94.3%	-	3,226.1	87.8%	-
Total		13,894.4		25	3,672.8		23

### U.S. Follow-On League Table

Rank	Manager	2011 Q1			2010 Q1		
		Proceeds (\$mm)	Mkt. Share %	# of Deals	Proceeds (\$mm)	Mkt. Share %	# of Deals
1	Goldman Sachs & Co.	6,723.1	15.3	25	2,355.8	8.4	15
2	Credit Suisse	5,087.4	11.6	23	1,537.0	5.5	16
3	Bank of America Merrill Lynch	4,522.5	10.3	35	2,392.8	8.5	28
4	Barclays	4,102.2	9.3	30	1,499.4	5.3	19
5	Deutsche Bank	3,971.0	9.0	27	491.4	1.8	7
6	JP Morgan	3,825.7	8.7	30	5,560.1	19.8	25
7	Citi	3,810.5	8.7	22	1,079.3	3.8	16
8	Morgan Stanley	3,423.0	7.8	26	3,956.8	14.1	32
9	Wells Fargo Securities	1,683.8	3.8	25	1,376.4	4.9	24
10	UBS AG	1,416.7	3.2	15	2,704.0	9.6	24
Subtotal		38,565.8	87.9%	-	22,952.9	81.7%	-
Total		43,880.7		164	28,078.5		146

### U.S. Equity-Related League Table

Rank	Manager	2011 Q1			2010 Q1		
		Proceeds (\$mm)	Mkt. Share %	# of Deals	Proceeds (\$mm)	Mkt. Share %	# of Deals
1	Citi	3,086.0	25.7	10	240.8	3.8	4
2	Goldman Sachs & Co.	2,805.7	23.4	9	584.6	9.2	3
3	JP Morgan	1,660.2	13.8	12	1,796.5	28.2	12
4	Morgan Stanley	912.9	7.6	5	535.3	8.4	5
5	Bank of America Merrill Lynch	781.0	6.5	7	1,185.0	18.6	7
6	UBS AG	734.8	6.1	5	323.7	5.1	4
7	Deutsche Bank	682.3	5.7	8	530.8	8.3	5
8	Barclays	449.8	3.5	3	142.0	2.2	2
9	Wells Fargo Securities	321.0	2.7	3	0.0	0.0	0
10	Credit Agricole	125.0	1.0	1	0.0	0.0	0
Subtotal		11,558.8	96.1%	-	5,338.6	83.9%	-
Total		12,028.2		35	6,365.9		23

### New Issuance Recap

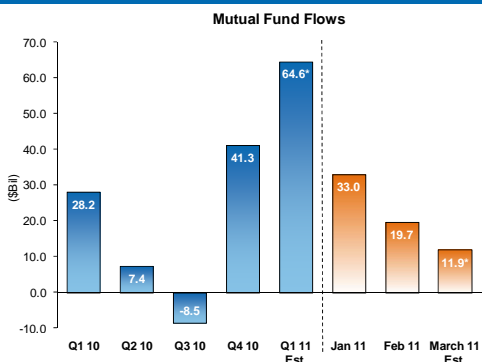
• Throughout 2010, strong performance in the secondary markets reopened the window for equity new issuance as positive after-market performance and increased risk tolerance allowed for smaller, less proven companies to tap fresh capital. Yet, the most recent quarter reminded us that while investors are still hungry for mega-deals, the U.S. primary markets are not immune to volatility abroad and macro-driven sentiments.

• In recent quarters, investors have been treated to an increasing number of PE-backed IPOs, widely lauded as an effective test of the capital raising environment. Unique to this quarter, however, was the size of PE-backed IPOs, with three issuers consecutively grabbing the crown for largest listing with financial sponsors. Nielsen kicked it off by topping previous record holder Spirit AeroSystems' \$1.6B offering from 2006 by raising \$1.9B in late January, followed by Kinder Morgan's upsized \$3.3B offering no more than a month later. HCA wrapped up the hat trick in early March by raising \$4.4B in its oversubscribed deal. Together, these deals claimed over 70% of total proceeds raised from initial offers during Q1.

• Secondary offerings followed suit with Q1 recording the most \$1.0B+ deals since Q2 2009, which was overwhelmingly dominated by stress test mandated capital raises. While 75% of the quarter's proceeds stemmed from AIG's secondary share offering of MetLife, half of the deals came from the REIT space, as firms looked to beef up their MBS portfolios and purchase Healthcare related properties.

• Despite the bloom of mega deals, new listing volume slowed towards quarter end amid political turmoil in the Middle East & North Africa and repercussions from the earthquake in Japan. While the number of initial offerings in January and February outpaced their year-ago counterparts by 67% and 56%, respectively, March 2011 saw five IPOs withdrawn or postponed due to market conditions while volume slipped to less than half of March 2010.

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



• Equity mutual funds saw an estimated \$64.6B of fresh capital during Q1, the vast majority of which came during the first two months, as investors bought into the U.S. economic recovery and continued to chase rising stock prices. Retail investors have turned decidedly bullish on stocks since last summer, and equity mutual funds were the major benefactor over the last quarter as municipal bond and money market funds posted 3.5% and 2.8% outflows, respectively.

\*Est. based on aggregate weekly data • Source: AMG Data and ICI

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Pricing Environment, Trends, & Backlog

Quarter Ending March 31, 2011

U.S. IPO Pricing Performance

Month	Total		Pricing Range			% Change	
	Proceeds (MM)	# of Deals	Above	Within	Below	Offer / 1 Day	Offer / 1 Mo
Jan/11	4,469.8	8	38%	50%	13%	8.4	9.9
Feb/11	4,778.4	16	13%	75%	13%	7.0	7.9
Mar/11	5,935.6	8	38%	50%	13%	33.7	-
<b>YTD 11</b>	<b>15,183.9</b>	<b>32</b>	<b>25%</b>	<b>63%</b>	<b>13%</b>	<b>12.7</b>	<b>8.6</b>

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
Jan/11	4,568.1	19	58%	42%	(3.7)	(3.0)	6.6
Feb/11	6,743.1	32	50%	50%	(4.3)	(6.5)	0.6
Mar/11	22,237.2	59	39%	61%	(4.2)	(7.4)	-
<b>YTD 11</b>	<b>33,548.3</b>	<b>110</b>	<b>45%</b>	<b>55%</b>	<b>(4.1)</b>	<b>(6.2)</b>	<b>2.8</b>

Similar to Youku and DangDang last quarter, Internet-based IPOs surged in the aftermarket in Q1 led by first-day pops from March debuts: Qihoo 360 (+134%) and Cornerstone OnDemand (+47%). The other web-based IPO of the quarter, Demand Media, experienced a one-day jump of 33%, bringing the Internet subset to log an average first-day performance of 71%, well ahead of the quarter's overall average of 13%.

Despite a lull in IPO volume towards the quarter's close, the market for secondary offerings gathered steam in March, even as the VIX spiked to its highest level since July amid ongoing geopolitical unrest. March represented the best monthly performance on both a deal count and proceeds basis for follow-ons in Q1, as the Financials sector priced 24 secondary offerings, nine of which were accelerated deals from REITs.

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

2011 Q1 Priced by Industry

Rank	Industry	Proceeds (\$mm)	Market Share (%)	# of Deals
1	Financials	18,989.7	27.2%	35
2	REIT	15,483.2	22.2%	45
3	Energy	12,034.7	17.2%	35
4	Healthcare	9,560.2	13.7%	39
5	Technology	4,695.4	6.7%	23
6	Consumer Cyc.	3,845.6	5.5%	13
7	Materials	2,029.6	2.9%	12
8	Transportation	1,169.6	1.7%	6
9	Industrials	1,130.2	1.6%	11
10	Consumer Non-Cyc.	517.3	0.7%	2
11	Telecom Svcs	367.3	0.5%	4
12	Utilities	0.0	0.0%	0
<b>Total</b>		<b>69,803.4</b>		<b>224</b>

Industry Highlights

- Financials led all new issuance for the eighth straight quarter on the back of five \$1.0B+ offerings, which accounted for nearly 70% of the sector's new issuance.
- Perhaps the most striking figure to arise in Q1 was the resurgence of the Healthcare space on both a sequential and year-over-year basis. Nearly half of the proceeds raised in the sector can be earmarked to HCA's \$4.4B IPO, which was the largest debut in the first quarter as well as the largest PE-backed listing ever. Nevertheless, the sector's market share increased on both a proceeds and deal volume basis, as seven other companies went public, compared to just three Healthcare IPOs in the year-ago period. Looking closer at these IPOs, investors favored larger issuers with more established track records as the four BioPharma IPOs in early to mid-stage developmental periods received tepid reactions from investors and were forced to slash their file prices and increase shares offered to raise desired levels of proceeds.

Backlog Highlights

TOP BOOKRUNNERS IN BACKLOG

Rank	Manager	Proceeds (\$mm)	Market Share (%)	# of Deals
1	JP Morgan	4,639.3	20.7	25
2	Credit Suisse	3,695.7	16.5	17
3	UBS AG	2,650.8	11.8	7
4	Bank of America Merrill Lynch	1,933.9	8.6	17
5	Citi	1,834.4	8.2	11
6	Morgan Stanley	1,554.9	6.9	21
7	Barclays PLC	1,218.3	5.4	11
8	Deutsche Bank	1,049.0	4.7	13
9	Wells Fargo Securities	986.3	4.4	11
10	Goldman Sachs & Co.	640.5	2.9	10
<b>SubTotal</b>		<b>20,203.2</b>	<b>90.3</b>	<b>63</b>
<b>Total</b>		<b>22,381.0</b>		<b>91</b>

TOP FILED DEALS

Issue Name	Issue Type	Amt Filed (\$mm)	Industry
The Mosaic Company	FO	6,873.9	Materials
Freescale Semiconductor, Inc.	IPO	1,150.0	Technology
Arcos Dorados Holdings Inc.	IPO	874.5	Consumer Cyc.
Allison Transmission Holdings, Inc.	IPO	750.0	Consumer Cyc.
Frac Tech Services, Inc.	IPO	690.0	Energy
Eola Property Trust	IPO	675.0	REIT
RLJ Lodging Trust	IPO	550.0	REIT
Kosmos Energy Ltd.	IPO	500.0	Energy
American Capital Mortgage Inv. Corp.	IPO	500.0	REIT
The Fresh Market, Inc.	FO	469.0	Consumer Cyc.
<b>SubTotal</b>		<b>13,032.3</b>	
<b>Total</b>		<b>22,381.0</b>	

Behind a massive secondary offering by selling shareholders of Mosaic, a mega IPO from Freescale leads the current backlog, as the company looks to pay down some of the ~\$7.6B in debt from its 2006 LBO. REITs also maintain a commanding presence in the pipeline and combine to represent 13% of the deal count and 17% of filed proceeds, second only to the Materials space in aggregate proceeds. A handful of smaller deals from Software & IT firms, including music-streaming service Pandora and Facebook-dependant Fusion-io, also wait in the wings alongside hot offerings from McDonald's franchisee Arcos Dorados, LinkedIn, Zipcar, and Ally Financial, which is majority owned by the U.S. government. Meanwhile, the U.S. shadow backlog is brimming with high-profile deals including rumored IPOs from Chrysler, AIG, Groupon and Facebook.

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

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Top US-Based Deals by Proceeds

Quarter Ending March 31, 2011

U.S. IPOs

Offer Date	Issuer	Ticker	Amt + Ovl (\$mm)	Shares Offered Inc Ovl	Offer Price	Original File Range	Price Performance % Change			Bookrunner(s)	Industry
							Latest File / Offer	Offer / 1 Day	Offer / 3/31/11		
03/09/11	HCA Holdings, Inc.	HCA	4,353.9	145,130,000	30.00	27 - 30	5.3	3.4	12.9	BAML, CITI, JPM, BRCLY, CS, DB, GS, MS, WFC	Healthcare
02/10/11	Kinder Morgan, Inc.	KMI	3,293.6	109,786,590	30.00	26 - 29	9.1	3.5	(1.2)	GS, BRCLY	Energy
01/25/11	Nielsen Holdings N.V.	NLSN	1,889.3	82,142,858	23.00	20 - 22	9.5	8.7	18.7	JPM, MS, CS, DB, GS, CITI	Consumer
01/27/11	BankUnited, Inc.	BKU	900.5	33,350,000	27.00	23 - 25	12.5	5.2	6.3	MS, BAML, DB, GS	Financials
01/12/11	American Assets Trust, Inc.	AAT	648.3	31,625,000	20.50	19 - 21	2.5	3.7	3.8	BAML, WFC, MS	REIT
<b>Total (\$mm):</b>			<b>11,085.5</b>				<b>Mean: 7.8</b>	<b>4.9</b>	<b>8.1</b>		
<b>% of Total IPOs:</b>			<b>82.2%</b>				<b>Median: 9.1</b>	<b>3.7</b>	<b>6.3</b>		

U.S. Marketed Follow-Ons

Offer Date	Issuer	Ticker	Amt + Ovl (\$mm)	Shares Offered Inc Ovl	Offer Price	Accelerated Deal	Price Performance % Change			Bookrunner(s)	Industry
							Current File / Offer	Last Trade / Offer	Offer / 3/31/11		
03/02/11	MetLife Inc.	MET	6,349.5	146,809,712	43.25	✓	(6.1)	(0.4)	3.4	GS, CITI, CS	Financials
01/20/11	Fifth Third Bancorp	FITB	1,870.0	133,571,429	14.00	✓	(4.2)	(4.2)	(0.8)	JPM, DB, CS, GS	Financials
03/01/11	EOG Resources, Inc.	EOG	1,431.6	13,570,000	105.50	✓	(6.1)	(2.3)	12.3	GS, BRCLY	Energy
03/01/11	Health Care REIT, Inc.	HCN	1,415.9	28,750,000	49.25	✓	(5.7)	(3.1)	6.5	UBS, BAML, BRCLY, DB, JPM, WFC	REIT
03/22/11	HCP, Inc.	HCP	1,273.1	34,500,000	36.90		(1.9)	(0.5)	2.8	BAML	REIT
<b>Total (\$mm):</b>			<b>12,340.1</b>				<b>Mean: (4.8)</b>	<b>(2.1)</b>	<b>4.8</b>		
<b>% of Total Follow-Ons:</b>			<b>39.9%</b>				<b>Median: (5.7)</b>	<b>(2.3)</b>	<b>3.4</b>		

U.S. Block Trades

Offer Date	Issuer	Ticker	Amt + 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 / 3/31/11		
02/15/11	Annaly Capital Management, Inc.	NLY	1,492.1	86,250,000	17.30	7	(3.6)	0.4	0.9	CS, BAML, DB, MS, RCAP	REIT
01/04/11	Annaly Capital Management, Inc.	NLY	1,483.5	86,250,000	17.20	7	(3.7)	0.9	1.5	CS, BRCLY, JPM, RCAP	REIT
03/21/11	American Capital Agency Corp.	AGNC	901.6	32,200,000	28.00	11	(3.8)	1.0	4.1	BAML, CITI, CS, DB	REIT
02/01/11	Quest Diagnostics Inc.	DGX	865.0	15,377,600	56.25	10	(1.2)	1.3	2.6	DB, JPM	Healthcare
03/01/11	Avago Technologies Ltd.	AVGO	812.5	25,000,000	32.50	14	(4.4)	(1.3)	(4.3)	DB, BRCLY	Technology
<b>Total (\$mm):</b>			<b>5,554.7</b>				<b>Mean: (3.3)</b>	<b>0.5</b>	<b>0.9</b>		
<b>% of Total Block Trades:</b>			<b>47.9%</b>				<b>Median: (3.7)</b>	<b>0.9</b>	<b>1.5</b>		

U.S. Equity Related

Offer Date	Issuer	Ticker	Amt + Ovl (\$mm)	Coupon	Premium	Maturity	Premium		Bookrunner(s)	Industry
							Coupon Talk	Talk		
03/02/11	MetLife Inc.	MET	3,315.2	5.00	0.00	10/08/14	-	-	GS, CITI	Financials
03/15/11	Illumina, Inc.	ILMN	800.0	0.25	30.00	03/15/16	.25-.25	30-30	MS, GS	Healthcare
03/01/11	Health Care REIT, Inc.	HCN	718.8	6.50	20.00	Perpetual	6.5-7.0	15-20	UBS, BAML, BRCLY, DB, JPM, WFC	REIT
01/14/11	Dendreon Corp.	DNDN	620.0	2.88	40.00	01/15/16	2.375-2.875	40-45	JPM	Healthcare
01/19/11	Ares Capital Corp.	ARCC	575.0	5.75	17.50	02/01/16	5.75-6.25	17.5-22.5	JPM, BAML, WFC, DB	Financials
<b>Total (\$mm):</b>			<b>6,029.0</b>							
<b>% of Total Equity Related:</b>			<b>51.9%</b>							

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

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### A Closer Look at the Ipreo IPO Brief Indices

Quarter Ending March 31, 2011

#### On The Origin of Indices

In November 2010, Ipreo Capital Markets debuted the *IPO Brief*, a monthly report summarizing year-over-year deal count and proceed comparisons, and examining aftermarket pricing trends. In addition to reporting standard price performance statistics such as average offer-to-one-day and offer-to-current, Ipreo developed an indexing methodology to track historical daily market performance for a rolling basket of recent IPOs. The goal in constructing the indices was to develop an intelligible sentiment indicator that could be plotted and benchmarked against familiar broad market indices. For more information on how the indices are constructed, please turn to the following page.

Looking back at Q1 2010 by month, the Ipreo IPO indices have exposed a handful of notable trends. We detail a few themes below:

#### January- Few New Members, but Solid Performance Nonetheless

Continuing a trend observed in December, the US-based 25 narrowly outperformed the International 25 and the S&P 500 during the first month of 2011. Solid performance from a handful of late-2010 Healthcare IPOs provided early support for the US group, as November IPOs Anacor Pharmaceuticals and Zogenix returned 16% and 12% on the year's first day of trading (1/3), and Anacor provided further support on 1/7, rising 11%. Examworks also contributed to the US index, returning 12% the following week (1/12). Despite an early show of confidence, growth in both indices was limited in January, as the majority of IPOs that priced did so in the last week of the month. Late offerings from Nielson (+9%) and Demand Media (+33%) provided an immediate boost to the US 25 on 1/26, and BankUnited (+5%) supplied further support to the US 25 on 1/28. Meanwhile, InterXion (+6%) and Adecoagro (+9%) provided the bulk of upside for the International 25 in January, when the only three IPOs that priced did so on 1/28.

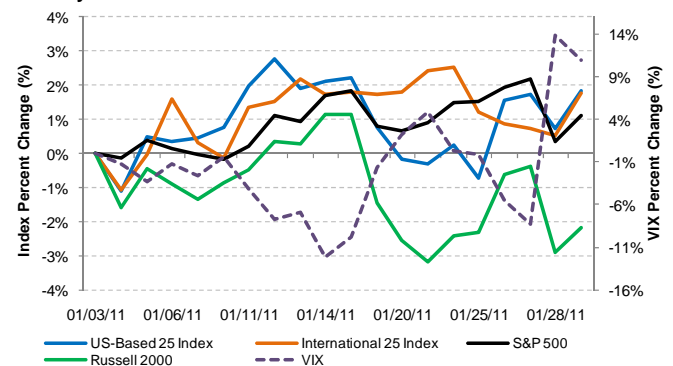
#### February- Chinese Deals Lose Their Luster

US-based IPOs strongly outperformed their international counterparts during the month of February. Early support was provided to the US group after Epocrates and NeoPhotonics rose 37% and 20%, respectively, on their 2/2 debut. Endocyte and BG Medicine came to market on 2/4 providing further support, up 28% and 15% each on day 1. Meanwhile, issuance volume from non-US companies was weak during the month of February. Just three non-US deals joined the index during the period, with Trunkbow International (China) and Tornier (Netherlands) closing down 5% each at issuance. February's third new non-US member, Zuoan Fashion (China), ended its first day roughly unchanged from its offer price. All told, performance of non-US deals, Chinese deals in particular, stood in stark contrast to the hot debuts from Youku.com and E-Commerce China Dangdang in December '10. Weak reception was due in part to declining issuer quality, as well as a general growing risk aversion to non-domestic equity as tensions began to flare in the Middle East.

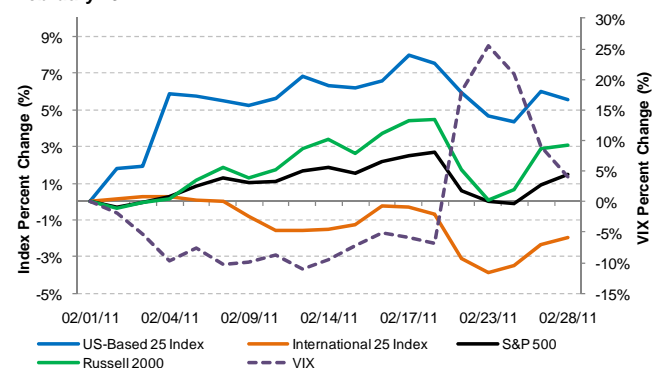
#### March- Noteworthy Resilience from US IPOs

March saw the return of broad market volatility as the Middle East & North Africa slid further into conflict and Japan experienced its devastating tsunami. From 3/1 to 3/16, the VIX Volatility Index rose 40% while the S&P 500 shed 4%, dropping 2% on 3/16 alone. On the same day, however, the US-Based 25 Index actually rose on the back of strong gains from BG Medicine, Inc. (10%), Endocyte, Inc. (6%), and MedQuist Holdings Inc. (6%). While the major indices were locked in a systematic de-risk trade, these February IPOs were able to trade up – uncorrelated on company-specific news. Mid-month upside failed to extend to non-US IPOs, however, with the aforementioned weaker Chinese deals encountering little support amid the turmoil. Zuoan Fashion (China) fell 11% during a tough 3/15 session despite no discernable news out of the clothing maker; thinly traded Ossen Innovation (China) experienced similar action a day later. Meanwhile, even praised Chinese issuers like E-Commerce China Dangdang found few supporters after releasing weak earnings on 3/10. The online retailer slid 20% over an eight-day period following its release. Late in the month, however, non-US IPOs found their legs with snap-back trading in Dangdang, an upgrade-induced jump from Sky Mobi (China), and a major debut from Qihoo 360 (China), rising 134% on its first day.

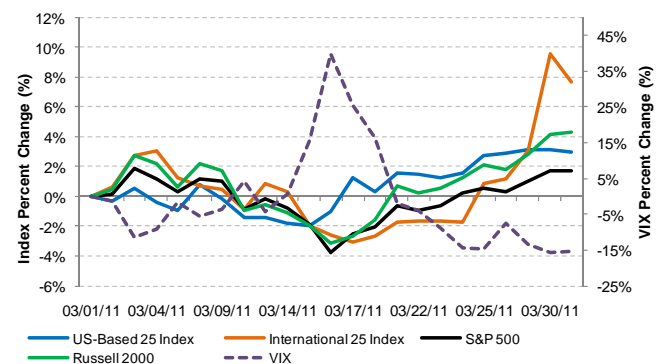
January 2011



February 2011



March 2011



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### A Closer Look at the Ipreo IPO Brief Indices (cont.)

Quarter Ending March 31, 2011

#### How Do the Indices Work?

Ipreo's indexing methodology begins by defining the basket of recent IPOs for inclusion. Since the index aims to always track the *most recent* new issuance, the basket of securities has the potential to change daily throughout a given study period. At press, the index would be composed of the most-recent 25 IPOs (see right), while ten trading days ago the basket would consist of the most-recent 25 IPOs as of 3/14/11. Ipreo chose to group US-domiciled deals and non-US domiciled deals separately to facilitate high-level comparative analysis.

Once a group of IPO constituents is defined for a given trading day, Ipreo takes an unweighted average of the underlying securities' daily price percent changes (including first-day pops). At the period start date, the index takes a base value of 100. At  $t + 1$ , the initial average daily percent change is multiplied by the prior day index value (in this case 100) and repeated through  $t + n$ .

IPOs must be traded on a US-based exchange and must raise \$20mm or more to be included in the indices. Additionally, Ipreo excludes the following deal types from membership: Closed End Funds (CEFs), Private Investments in Public Equity (PIPEs), Blank Checks (SPACs), Private Placements/144As, and Unit Offerings.

#### Caveats & Considerations

The unweighted construction of the index implies that HCA Holdings' (\$15B market cap) daily activity counts as much as AcelRx Pharmaceuticals' (\$96mm). If the Ipreo IPO indices were built for investibility, this approach would carry obvious flaws. For the purposes of monitoring general IPO sentiment, however, the index would be remiss without even attention to the full gamut of recent new issuance.

Additionally, the index assumes "investment" at the initial offering (capturing the day-one pops or drops) which would be difficult to achieve for any index fund manager. While we present the IPO benchmarked against the S&P 500 and the Russell 2000, the reader should bear in mind the limitations of pure apples-to-apples comparisons from the standpoint of investibility and excess return.

Since the IPO indices can reconstitute daily in the event of new issuance, periods of heavy deal flow will result in higher constituent turnover (and vice-versa). The current index membership at right displays this dynamic with US-Domiciled deals (higher issuance volume) seeing the oldest member trade date of 12/15/10 while the oldest non-US index member reverts to 10/26/10. Due to the possibility for significant constituent turnover over longer study periods, Ipreo finds that the indices are best used over shorter time periods (typically 1 to 3 months).

#### For More Information

Ipreo distributes the monthly *IPO Brief* free of charge, with the March version set for distribution on Monday, April 4th. To sign up to receive the report, please contact [CapitalMarkets@ipreo.com](mailto:CapitalMarkets@ipreo.com) or call us at 212.812.0950

#### Current Ipreo IPO Index Constituents as of 3/31/2011

##### US-Based 25 Index

Company	Trade Date	Sector	Offer/1-Day (%)	Offer/Curr. (%)
Apollo Global Management, LLC	03/30/11	Financials	-4.2	-5.3
ServiceSource International, Inc.	03/25/11	Industrials	21.8	21.8
Cornerstone OnDemand, Inc.	03/17/11	Tech/Telecom	46.7	40.2
HCA Holdings, Inc.	03/10/11	Healthcare	3.4	12.9
Solar Senior Capital Ltd.	02/25/11	Financials	-2.0	-6.9
Kinder Morgan, Inc.	02/11/11	Energy	3.5	-1.2
AcelRx Pharmaceuticals, Inc.	02/11/11	Healthcare	-9.0	-31.4
Fluidigm Corp.	02/10/11	Healthcare	3.9	6.0
Summit Hotel Properties, Inc.	02/09/11	REIT	-0.6	1.9
Gevo, Inc.	02/09/11	Materials	9.6	31.3
Imperial Holdings, Inc.	02/08/11	Financials	0.6	-5.6
Endocyte, Inc.	02/04/11	Healthcare	28.8	42.8
BG Medicine, Inc.	02/04/11	Healthcare	15.0	10.1
MedQuist Holdings Inc.	02/04/11	Healthcare	13.1	30.3
Pacira Pharmaceuticals, Inc.	02/03/11	Healthcare	0.3	1.4
NeoPhotonics Corp.	02/02/11	Tech/Telecom	20.5	2.8
Epocrates, Inc.	02/02/11	Tech/Telecom	37.3	23.8
BankUnited, Inc.	01/28/11	Financials	5.2	6.3
Demand Media, Inc.	01/28/11	Cons. Cyc.	33.2	38.5
Nielsen Holdings N.V.	01/26/11	Cons. Cyc.	8.7	18.7
Medley Capital BDC LLC	01/20/11	Financials	1.2	1.5
American Assets Trust, Inc.	01/13/11	REIT	3.7	3.8
Fortegra Financial Corporation	12/17/10	Financials	0.0	3.3
Swift Transportation Company	12/16/10	Transportation	0.9	33.6
GAIN Capital Holdings, Inc.	12/15/10	Financials	-1.7	-14.8
<b>Average</b>			<b>9.6</b>	<b>10.6</b>

##### International 25 Index

Company	Trade Date	Sector	Offer/1-Day (%)	Offer/Curr. (%)
Qihoo 360 Technology Co. Ltd.	03/30/11	Tech/Telecom	134.5	104.1
MagnaChip Semiconductor Corporation	03/11/11	Tech/Telecom	0.1	-1.8
Zuano Fashion Limited	02/15/11	Cons. Cyc.	0.6	-1.3
Trunkbow International Holdings Ltd.	02/03/11	Tech/Telecom	-5.2	-18.6
Tornier N.V.	02/03/11	Healthcare	-5.0	-2.6
BCD Semiconductor Manufacturing Ltd.	01/28/11	Tech/Telecom	0.0	-17.4
InterXion Holding N.V.	01/28/11	Tech/Telecom	6.2	0.0
Adecoagro S.A.	01/28/11	Industrials	9.1	22.5
Ossen Innovation Co. Ltd.	12/21/10	Materials	-5.6	-20.2
iSoftStone Holdings Limited	12/14/10	Tech/Telecom	27.8	42.4
Sky-mobi Limited	12/10/10	Tech/Telecom	-25.0	53.8
Lentuo International Inc.	12/10/10	Cons. Cyc.	4.8	-39.0
Bona Film Group Limited	12/09/10	Industrials	-22.4	-24.7
Youku.com Inc.	12/08/10	Cons. Cyc.	161.3	271.2
E-Commerce China Dangdang Inc.	12/08/10	Cons. Cyc.	86.9	28.9
SYSWIN Inc.	11/24/10	Financials	-11.4	-10.4
China Xinya Fashion Limited	11/23/10	Cons. Cyc.	-9.5	-53.5
Bitauto Holdings Limited	11/17/10	Cons. Cyc.	3.7	-0.4
Noah Holdings Limited	11/10/10	Financials	33.3	21.9
RDA Microelectronics, Inc.	11/10/10	Tech/Telecom	19.4	59.1
Costamare Inc.	11/04/10	Transportation	-1.3	44.9
SodaStream International Ltd.	11/03/10	Cons. Non-Cyc.	20.6	119.1
SinoTech Energy Limited	11/03/10	Energy	-19.3	-6.1
Xueda Education Group	11/02/10	Cons. Non-Cyc.	31.6	0.6
Le Gaga Holdings Limited	10/29/10	Cons. Non-Cyc.	18.5	-3.8
<b>Average</b>			<b>18.1</b>	<b>22.7</b>

### More About The Ipreo Early Edition

This is a special quarterly edition of The Ipreo Early Edition. The Early Edition is a weekly U.S. Equity Capital Markets publication provided by Ipreo Capital Markets. All deal data provided by Ipreo's Equity Deals Database, a U.S. equities deals database providing quick and accurate deal information, both real-time and historical. For more information please contact us at [equitydeals@ipreo.com](mailto:equitydeals@ipreo.com) or 212.849.5420.

Ipreo Capital Markets Analytics is an outsourced consultative service focused on providing market intelligence on the equity capital markets. Our dedicated team of analysts assists investment banks with their origination and execution efforts by providing them with an understanding of their Issuer's valuation, institutional investor targeting efforts and/or anticipating the reaction to a major corporate action such as a merger, acquisition, spin-off, dividend policy change, or IPO. Ipreo Capital Markets serves as an extension of your Investment Banking and Equity Capital Markets efforts.

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