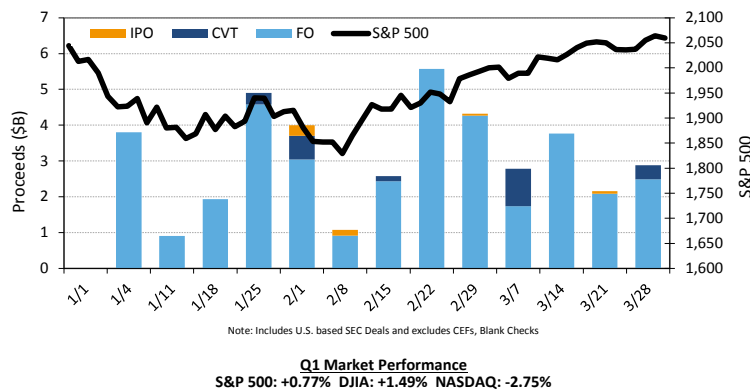


Q1 2016 U.S. New Issuance

	Proceeds (\$M)	Number of Deals
IPOs	569.6	6
Follow-ons	21,811.6	54
Block Trades	15,730.6	39
Convertibles	2,563.8	9
Totals	40,675.6	108

The new issuance market began the year down on proceeds and deal count from the prior quarter. In total, Q1 saw 108 deals for \$40.7B in proceeds, less than Q4's 129 deals for \$43.0B. Also, the quarter paled in comparison to the 265 deals for \$90.5B seen in Q1 2015. Furthermore, the quarter's IPO deal count fell to 6 for \$569.6M in proceeds, well below the prior-year period's 31 deals for \$5.6B. Finally, Q1 FOs and Block Trades accounted for 93 of the total deals for the quarter and generated \$37.5B.

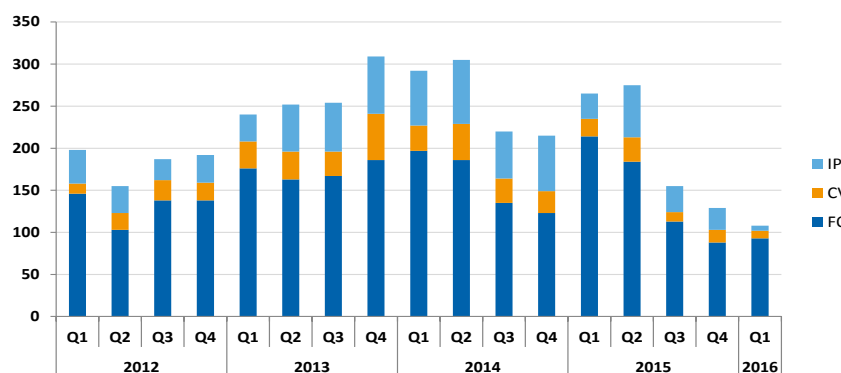


Follow-on Recap

Intro

Coming off the heels of a year that saw new issuance declines across the board (Figure 1), the market continued to struggle during first quarter of 2016 with only 108 deals coming to market amid substantial market volatility to start the year. Deal count volume was almost entirely comprised of follow-on offerings (93), with a dearth of IPOs (6) and CVTs (9) seen during the quarter and marking near record lows for the two issue types. With that said, we are going to take a closer look at follow-on offerings from 2010 to present, with breakdowns on follow-on type, pricing performance and sector breakdowns.

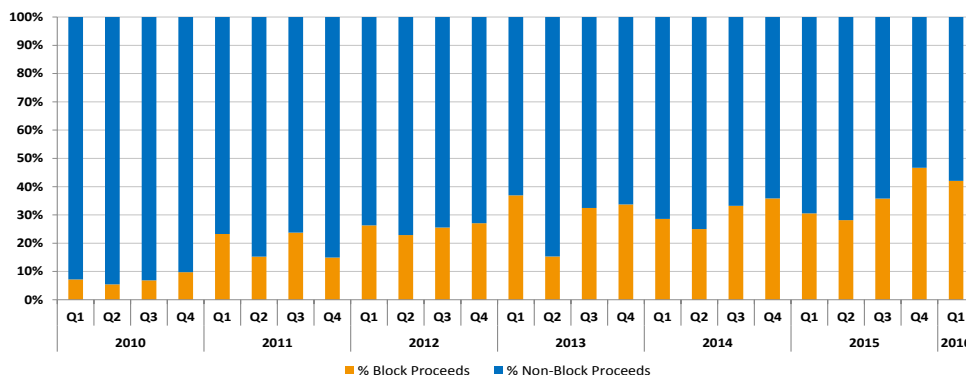
Figure 1: Quarterly Deal Count by Issue Type (2012-Present)



A Shift Towards Block Offerings

Breaking down our follow-on universe, we have seen the proportion of offerings that are blocks steadily trending higher over the past 5 years (Figure 2). Specifically in 2010, the percentage of proceeds raised from block offerings ranged below 10%, with proportions as low as 5.4% seen in Q2 of 2010. Following that, the proportion of capital raised by block offerings has consistently increased, hovering in the range of 15-25% in 2011, jumping up to 22-28% in 2012, and has consistently broached over 30% of total proceeds raised by follow-ons since the start of 2013. Notably, percentage of proceeds generated from block offerings has broached the 40% mark in the past two quarters as block offerings accounted for 46.7% and 41.1% of follow-on proceeds in Q4 2015 and Q1 2016, respectively.

Figure 2: Percentage of Follow-On Proceeds - Block vs. Non-Block (2010-Present)



Methodology and Deal Universe: We examined all follow-on offerings that have priced on U.S. exchanges from 2010 to present and raised \$20M or more in proceeds. The deal universe excludes blank checks, closed-end funds, and equity units offerings. Follow-on offerings include both fully-marketed and accelerated offerings, as well as block deals. When referencing non-block offerings, that includes both fully-marketed and accelerated deals.

Economic Highlights

Indicator	Q3Δ	Q4Δ
U.S. GDP	2.0%	1.4%

Indicator	Q4Δ	Q1Δ
Non-farm Payrolls	687,000	676,000
Retail Sales ex-Auto	0.0%	-0.4%
Factory Orders	-1.6%	-2.0%
Industrial Production	-1.5%	-0.4%
PPI	-0.6%	-0.3%
Core PPI	-0.3%	0.6%
CPI	0.0%	-0.3%
Core CPI	0.6%	0.8%

Indicator	December Release	March Release
Jobless Rate	5.0%	4.9%
Consumer Sentiment	93.3	90.0
ISM Mfg. Index	48.6	49.5
ISM Services Index	55.9	53.4
Capacity Utilization	76.9%	76.7%
Housing Starts	1179K	1178K
Building Permits	1282K	1167K
New Home Sales	491K	512K
Existing Home Sales	4.76M	5.08M

Commodities	Q4 End	Q1 End
Crude Oil	\$37.04	\$38.34
Natural Gas	\$2.34	\$1.96
Gold	\$1,060.30	\$1,233.40

Currencies	Q4 End	Q1 End
EUR in USD	1.086	1.140
GBP in USD	1.474	1.437
USD in JPY	120.295	112.395

Bond Yields	Q4 End	Q1 End
U.S. Treasury - 2 year	1.06%	0.73%
U.S. Treasury - 10 year	2.27%	1.77%
U.S. Treasury - 30 year	3.02%	2.61%

U.S. Equity and Equity-Related League Table

Rank	Manager	Q1 2016			Q1 2015		
		Proceeds (\$M)	Mkt. Share %	# Of Deals	Proceeds (\$M)	Mkt. Share %	# Of Deals
1	JP Morgan	6,873.7	18.1	33	12,402.5	14.6	81
2	Goldman Sachs & Co.	6,618.3	17.4	27	6,769.0	8.0	52
3	Bank of America Merrill Lynch	4,922.2	12.9	29	8,152.8	9.6	65
4	Credit Suisse	2,980.8	7.8	18	7,950.9	9.4	44
5	Citi	2,604.6	6.9	16	8,987.2	10.6	60
6	Morgan Stanley	2,578.8	6.8	17	9,227.3	10.9	64
7	Barclays	2,400.6	6.3	14	9,295.7	10.9	47
8	UBS AG	1,533.8	4.0	9	2,327.5	2.7	16
9	RBC Capital Markets	1,398.7	3.7	18	2,139.6	2.5	32
10	BMO Financial Group	923.0	2.4	9	705.6	0.8	8
Subtotal		32,834.7	80.7%	-	67,958.0	74.0%	-
Total		40,675.6	-	108	91,832.1	-	265

U.S. IPO League Table

Rank	Manager	Q1 2016			Q1 2015		
		Proceeds (\$M)	Mkt. Share %	# Of Deals	Proceeds (\$M)	Mkt. Share %	# Of Deals
1	Morgan Stanley	141.4	24.8	3	647.0	12.0	7
2	Goldman Sachs & Co.	113.5	19.9	2	535.0	9.9	7
3	Cowen Group, Inc.	96.0	16.8	2	103.4	1.9	4
4	JP Morgan	54.3	9.5	1	564.2	10.4	6
5	Jefferies LLC	52.8	9.3	1	109.7	2.0	3
6	Credit Suisse	35.3	6.2	1	182.7	3.4	3
7	Citi	26.4	4.6	1	701.4	13.0	7
8	Leerink Partners LLC	25.0	4.4	1	92.1	1.7	2
9	RBC Capital Markets	25.0	4.4	1	385.3	7.1	5
10	-	-	-	-	-	-	-
Subtotal		569.6	100.0%	-	3,320.8	58.3%	-
Total		569.6	-	6	5,696.9	-	30

U.S. Follow-On League Table

Rank	Manager	Q1 2016			Q1 2015		
		Proceeds (\$M)	Mkt. Share %	# Of Deals	Proceeds (\$M)	Mkt. Share %	# Of Deals
1	JP Morgan	6,125.3	17.5	28	9,566.9	14.1	67
2	Goldman Sachs & Co.	5,844.4	16.7	22	5,660.6	8.3	41
3	Bank of America Merrill Lynch	4,597.2	13.2	28	6,193.3	9.1	51
4	Credit Suisse	2,945.6	8.4	17	7,653.2	11.3	40
5	Barclays	2,400.6	6.9	14	7,693.9	11.3	40
6	Citi	2,272.0	6.5	13	6,894.4	10.1	49
7	Morgan Stanley	2,245.7	6.4	13	7,032.2	10.3	50
8	UBS AG	1,533.8	4.4	9	2,071.7	3.0	13
9	RBC Capital Markets	1,197.2	3.4	14	1,479.4	2.2	26
10	BMO Financial Group	923.0	2.6	9	341.8	0.5	5
Subtotal		30,084.9	80.1%	-	54,587.4	75.9%	-
Total		37,542.2	-	93	71,885.6	-	214

U.S. Equity-Related League Table

Rank	Manager	Q1 2016			Q1 2015		
		Proceeds (\$M)	Mkt. Share %	# Of Deals	Proceeds (\$M)	Mkt. Share %	# Of Deals
1	JP Morgan	694.2	27.4	4	2,271.4	19.6	8
2	Goldman Sachs & Co.	660.4	26.1	3	573.3	4.9	4
3	Bank of America Merrill Lynch	325.0	12.8	1	1,285.7	11.1	6
4	Citi	306.3	12.1	2	1,391.4	12.0	4
5	Morgan Stanley	191.7	7.6	1	1,548.1	13.3	7
6	RBC Capital Markets	176.5	7.0	3	275.0	2.4	1
7	Stifel Financial	100.0	4.0	1	0.0	0.0	0
8	Cowen Group, Inc.	43.1	1.7	1	86.7	0.7	2
9	Nomura Holdings, Inc.	33.3	1.3	1	6.7	0.1	1
10	-	-	-	-	-	-	-
Subtotal		2,530.4	98.7%	-	7,438.3	52.2%	-
Total		2,563.8	-	9	14,249.5	-	21

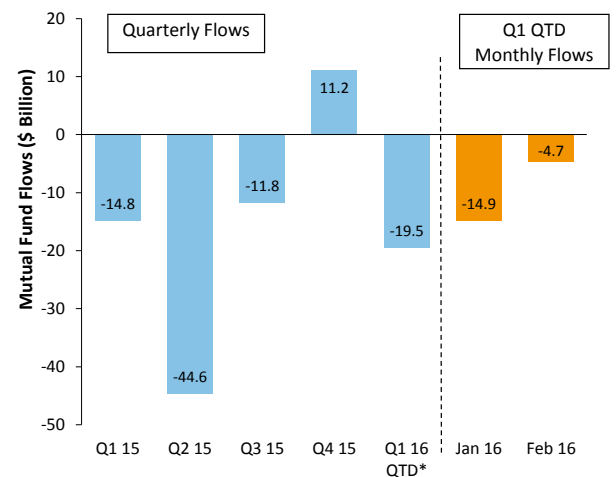
New Issuance Recap

The broader markets finished mixed in Q1 as the S&P rose 0.8%, the DJIA jumped 1.5%, and the NASDAQ retreated 2.8%. Equity issuance continued at the meager pace set in Q4 2015, as Q1 2016 raised a total of \$40.7B across 108 deals, falling from the 129 deals which raised combined proceeds of \$43.0B. Compared to the prior-year period, Q1's deal count descended 59.2% year-over-year, while combined proceeds witnessed a 55.2% year-on-year decline.

The IPO market maintained its disappointing run as only six new issuers made their way to market for total proceeds of \$569.6M, compared to the 26 deals which came to market in Q4 for proceeds of \$7.2B. The only two years to perform worse in Q1 in terms of IPO activity were 2009 and 2003 with one and three deals, respectively. Not only was the IPO market significantly down from the previous quarter, it was also vastly down from the comparable period of 2015 as deal count fell 80.6% from 31 deals while proceeds dropped 89.9% from \$5.6B. Notably, every single IPO came from the Healthcare sector, five of which were Biotech companies with the remaining deal coming from the Pharmaceuticals sub-sector. The largest IPO of the period came from BeiGene, LTD. raising a modest \$182.2M or 32.0% of total Q1 IPO Proceeds. Additionally, coming in behind BeiGene was Editas Medicine, Inc. which brought in \$108.6M.

Elsewhere, 93 follow-on offerings, including block trades, were able to bring in \$37.5B in total proceeds. Deal count was very similar with last quarter's 88 deals, yet up in terms of proceeds as Q4 2015 only raised \$27.4B, and far behind Q1 2015 which posted 213 deals for combined proceeds of \$70.7B. The largest deal came flowing out of Molson Coors Brewing Co., generating proceeds of \$2.6B. Coming in second place, Baxalta Incorporated's follow-on offering raised \$2.4B in total proceeds and was also the largest deal offered in the Healthcare space. Just as it did in the IPO market, the Healthcare sector dominated the secondary offering market with 25 deals coming to market for a total proceeds of \$8.3B. Separately, the Energy sector had the second most deals with 21, yet was the strongest performer in terms of proceeds, raising \$13.2B. The Energy sector's front-runner came from Enbridge Inc., which generated proceeds of \$2.3B in its follow-on offering.

Mutual Fund Flows



U.S. equity mutual funds had an outflow of \$19.5 billion quarter to date, marking a sharp reversal in trend from last quarter's \$11.2 billion inflow, but following suit when compared to the \$14.8 billion outflow reported in the first quarter of 2015. Of note, the largest U.S. equity mutual funds outflow so far this past year was in the second quarter of 2015, which had a \$44.6 billion outflow. Furthermore, January started off negative with a \$14.9 billion outflow amid a free fall in Chinese stocks and a plunge in crude oil prices, and continued into February with a \$4.7 billion outflow.

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

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

U.S. IPO Pricing Performance

Month	Total Proceeds (\$M)	# of Deals	Pricing Range			% Change Offer / 1 Day	Offer / 1 Mo
			Above	Within	Below		
Jan/16	0.0	0				-	-
Feb/16	446.3	4	75%	25%	1.3	43.7	
Mar/16	123.3	2	50%	50%	-2.5	-	
YTD	569.6	6	67%	33%	0.0	43.7	

IPOs underperformed in Q1, largely remaining flat during their initial debuts. February saw the only month of positive first-day price performance within the quarter (1.3%) across its mere four deals. None of the deals in Q1 priced above its filing range and for only the third January since 2001, the new issuance market failed to produce any IPOs. The largest first day pop came from BeiGene, LTD's February 2nd debut, which jumped 18.0%. On the contrary, the largest decline in price came from Proteostasis Therapeutics, Inc.'s February debut, where the price dropped 17.0% in the first day.

U.S. Follow-On Pricing Performance

Month	Total Proceeds (\$M)	# of Deals	Marketing Type		% Change File / Offer	Offer / 1 Mo
			Accelerated	Fully- Marketed		
Jan/16	8,001.3	20	25%	75%	-4.3	-11.7
Feb/16	5,584.9	9	22%	78%	-4.7	13.6
Mar/16	8,225.3	25	48%	52%	-4.7	-
YTD	21,811.6	54	35%	65%	-4.6	-1.4

Follow-ons continued the trend of fully marketed offerings in Q1, with 65% opting for a longer marketing period. In total, Q1 saw 54 follow-ons, with an average file-to-offer discount of 9.3%, slightly larger than Q4's 6.6% discount. This was largely driven by January's average file-to-offer discount of 14.1%, while February and March saw discounts of 8.0% and 5.6%, respectively. Overall, follow-ons in Q1 raised \$21.8B in proceeds across 54 deals.

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

Q1 2016 Priced by Industry

Rank	Industry	Proceeds (\$M)	Market Share (%)	# of Deals
1	Energy	13,840.4	34.0	23
2	Healthcare	10,362.3	25.5	36
3	REIT	6,675.9	16.4	20
4	Consumer Goods	3,948.6	9.7	6
5	Basic Materials	1,683.0	4.1	5
6	Utilities	1,045.1	2.6	3
7	Technology	1,017.0	2.5	4
8	Consumer Services	905.2	2.2	4
9	Industrials	723.7	1.8	4
10	Financials	474.3	1.2	3
	SubTotal	40,675.6		108

Industry Highlights

The Healthcare sector led the way this quarter in terms of deal count, welcoming 36 issuers that raised a total of \$10.3B in total proceeds. The six IPOs that came to market this quarter all hailed from the Healthcare sector and generated a total of \$569.6M in proceeds, with the largest debut coming from BeiGene, LTD. bringing in \$182.2M. Elsewhere, Baxalta Incorporated offered the two largest FOs from the sector in separate deals raising \$2.4B and \$1.5B, respectively. Comparatively in Q1 last year, the Healthcare sector saw 105 issuers price raising a total of \$29.1B.

The Energy sector raised the greatest amount of proceeds in Q1, with 23 deals raising a combined \$13.8B, which accounted for 34.0% of the market share. The sector had six deals that generated \$1.0B+ in proceeds during the quarter, with the largest deal coming from Enbridge Inc., whose FO offering brought in a total of \$2.3B. Of note, 21 of the 23 deals were FO offerings and the remaining two deals were CVT offerings, which came from Hess Corp. and Gran Tierra Energy Inc.

The Consumer Goods sector raised the fourth greatest amount of proceeds in Q1, bringing in \$3.9B with only six deals pricing. The largest deal of the quarter in terms of proceeds, hailed from this sector as Molson Coors Brewing Co. generated \$2.6B in its FO offering. Furthermore, this was the largest deal from this sector since General Motor Company's blockbuster IPO in 2010 that brought in a total of \$18.1B in proceeds.

2016 YTD Priced by Industry

Rank	Industry	Proceeds (\$M)	Market Share (%)	# of Deals
1	Energy	13,840.4	34.0	23
2	Healthcare	10,362.3	25.5	36
3	REIT	6,675.9	16.4	20
4	Consumer Goods	3,948.6	9.7	6
5	Basic Materials	1,683.0	4.1	5
6	Utilities	1,045.1	2.6	3
7	Technology	1,017.0	2.5	4
8	Consumer Services	905.2	2.2	4
9	Industrials	723.7	1.8	4
10	Financials	474.3	1.2	3
	SubTotal	40,675.6		108

IPO Backlog Highlights
Top Bookrunners in Backlog

Rank	Industry	Proceeds (\$M)	Market Share (%)	# of Deals
1	Bank of America Merrill Lynch	879.1	14.8	11
2	Morgan Stanley	794.8	13.3	10
3	Goldman Sachs & Co.	783.3	13.1	11
4	Citi	743.2	12.5	11
5	Credit Suisse	483.1	8.1	11
6	Barclays	420.1	7.1	10
7	JP Morgan	328.2	5.5	9
8	RBC Capital Markets	243.8	4.1	7
9	UBS AG	238.4	4.0	5
10	Deutsche Bank	208.7	3.5	7
	SubTotal	5,122.8	78.8%	
	Total	6,498.1		41

Top Filed Deals

Rank	Issue Name	Amt Filed (\$M)	Industry
1	Albertsons Companies, Inc.	1,600.0	Consumer Services
2	Acelity Holdings, Inc.	1,000.0	Healthcare
3	UTAC Holdings Ltd.	350.0	Technology
4	Nutanix, Inc.	200.0	Technology
5	GMS Inc.	200.0	Consumer Services
6	Intrepid Aviation Limited	150.0	Consumer Services
7	Acacia Communications Inc	125.0	Technology
8	Turning Point Brands, Inc.	125.0	Consumer Goods
9	Sutherland Asset Management Corp.	125.0	REIT
10	Oncobiologics, Inc.	115.0	Healthcare
	SubTotal	3,990.0	
	Total	6,498.1	

The current six-month pipeline had a sizable year-over-year decline in the number of upcoming deals, and now stands at 41 issuers hoping to raise \$6.5 billion in total proceeds. Last year's comparable backlog reported 59 issuers for combined proceeds of \$6.9 billion, without an individual issuer expecting to raise more than \$1.0 billion in proceeds. Looking at the top filed deals, Consumer Services and Technology managed to pull ahead in terms of deal count on the podium, with both sectors occupying three spots. By proceeds, Consumer Services leads the pack as it expects to rake in an aggregate of \$2.0 billion in proceeds. Of the total amount, \$1.6 billion is attributed to Albertsons Companies, Inc. which is ranked number one in terms of expected proceeds. Also of note, Healthcare company Acelity Holdings, Inc. is also expecting to raise \$1.0 billion, while the only REIT based issuer in the top 10, Sutherland Asset Management Corp., filed for \$125.0 million.

U.S. IPOs

2016 Rank	Offer Date	Issuer Name	Ticker	Proceeds+ Ovl (\$M)	Shares Offered Inc Ovl	Offer Price (\$)	Original File Range	Price Performance % Change			Bookrunner(s)	Industry	
								Latest Midpt / Offer	Last Trade / Offer / 1 Day	Offer / Qtr End			
1	2/2/16	BeiGene, LTD.	BGNE	182.2	7.6	24.00	22.00 - 24.00	4.3	18.0	(18.1)	GS, MS, COWEN	Healthcare	
2	2/2/16	Editas Medicine, Inc.	EDIT	108.6	6.8	16.00	16.00 - 18.00	(5.9)	13.8	(53.7)	MS, JPM	Healthcare	
3	2/10/16	AveXis, Inc.	AVXS	105.6	5.3	20.00	19.00 - 21.00	0.0	(9.8)	(26.6)	GS, JEFFER	Healthcare	
4	3/22/16	Corvus Pharmaceuticals, Inc.	CRVS	70.5	4.7	15.00	15.00 - 17.00	(6.3)	(5.0)	3.4	CS, COWEN	Healthcare	
5	3/2/16	Syndax Pharmaceuticals Inc	SNDX	52.8	4.4	12.00	14.00 - 16.00	(20.0)	0.1	(9.9)	MS, CITI	Healthcare	
				Total (\$M):	519.6			Mean:	(5.6)	3.4	(21.0)		
				% of Total Q1 IPOs:	91.2%			Median:	(5.9)	0.1	(18.1)		

U.S. Marketed Follow-Ons

2016 Rank	Offer Date	Issuer Name	Ticker	Proceeds+ Ovl (\$M)	Shares Offered Inc Ovl	Offer Price (\$)	Accelerated Deal	Price Performance % Change			Bookrunner(s)	Industry	
								Latest File / Offer	Last Trade / Offer / 1 Day	Offer / Qtr End			
1	1/28/16	Molson Coors Brewing Co.	TAP	2,585.0	29.9	86.50		(1.4)	(2.2)	(10.1)	UBS, BAML, CITI, BMO, MITSUFIN, RBC, WFC	Consumer Goods	
2	3/16/16	Baxalta Incorporated	BXLT	2,409.3	63.8	37.75		(1.0)	(0.8)	(6.6)	JPM, BAML, CS, UBS	Healthcare	
3	2/25/16	Enbridge Inc.	ENB	2,300.0	56.5	40.70		0.0	20.8	4.6	RBC, CS, BMO, CIBCINC, BNKNVASC, TDSEC, NTLBKCAN, BRCLY, JPM, BAML, MS, HSBC, DESJARD, FIRSTENE, MACQUARIE, PETER	Energy	
4	1/27/16	Baxalta Incorporated	BXLT	1,484.1	37.6	39.50		(3.8)	(1.5)	(2.2)	JPM	Healthcare	
5	2/4/16	Hess Corp.	HES	1,121.3	28.8	39.00	•	(10.3)	(10.3)	(25.9)	GS, JPM, MS	Energy	
				Total (\$M):	9,899.7			Mean:	(3.3)	1.2	(8.0)		
				% of Total Q1 Follow-Ons:	45.4%			Median:	(1.4)	(1.5)	(6.6)		

U.S. Block Trades

2016 Rank	Offer Date	Issuer Name	Ticker	Proceeds+ Ovl (\$M)	Shares Offered Inc Ovl	Offer Price (\$)	# Trading Days Deal Size Represents	Price Performance % Change			Bookrunner(s)	Industry	
								Latest Trade / Offer	Offer / 1 Day	Offer / Qtr End			
1	1/5/16	Pioneer Natural Resources Co.	PXD	1,614.6	13.8	117.00	4	(6.5)	(0.7)	(16.9)	BAML, CITI, CS, JPM	Energy	
2	2/17/16	Devon Energy Corp.	DVN	1,487.8	79.4	18.75	5	(7.8)	5.1	(31.7)	GS	Energy	
3	2/29/16	Marathon Oil Corp.	MRO	1,109.3	145.0	7.65	4	(6.8)	4.1	(31.3)	MS, GS, JPM, CITI	Energy	
4	2/4/16	Zimmer Biomet Holdings, Inc.	ZBH	1,063.6	11.0	96.45	8	(1.1)	(1.5)	(9.5)	BRCLY	Healthcare	
5	2/22/16	Cabot Oil & Gas Corp.	COG	1,012.0	50.6	20.00	5	(7.1)	(3.7)	(11.9)	JPM, BAML, CITI	Energy	
				Total (\$M):	6,287.3			Mean:	(5.9)	0.6	(20.3)		
				% of Total Q1 Block Trades:	40.0%			Median:	(6.8)	(0.7)	(16.9)		

U.S. Equity Related

2016 Rank	Offer Date	Issuer Name	Ticker	Proceeds+ Ovl (\$M)	Coupon	Premium	Maturity	Coupon Talk	Premium Talk	Bookrunner(s)	Industry	
												1
2	2/4/16	Hess Corp.	HES	575.0	8.000	17.50	2/1/19	-	-	GS, JPM, MS	Energy	
3	1/25/16	Novavax, Inc.	NVAX	325.0	3.750	22.50	2/1/23	2.75-3.25	27.5-32.5	CITI, JPM	Healthcare	
4	3/31/16	Anacor Pharmaceuticals, Inc.	ANAC	287.5	2.000	32.50	4/15/23	1.75-2.25	30-35	GS, CITI	Healthcare	
5	3/9/16	CSG Systems International, Inc.	CSGS	200.0	4.250	40.00	3/15/36	4.25-4.5	40-42.5	STFL, RBC	Technology	
				Total (\$M):	2,037.5							
				% of Total Q1 Equity Related:	79.5%							

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

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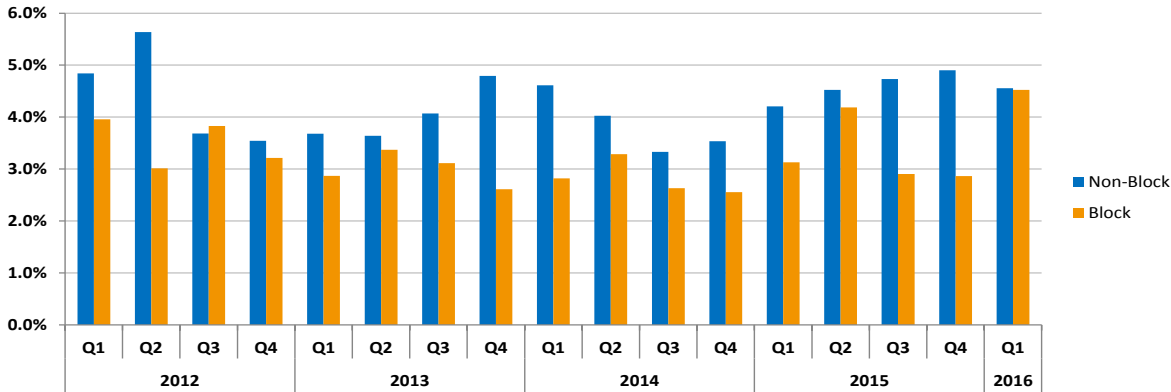
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Last Sale/Offer

Taking a look at the average last sale/offer percent changes for follow-on offerings, we can see the noteworthy divergences in average discounts (Figure 3) between non-block offerings and block offerings. Specifically, block offerings can be observed having noticeably lower discounts, particularly in 2014, where three of the four quarters averaged discounts below 3%. Comparatively, the average discount for regular follow-ons ranged from 3.3% to 4.6% during this period and has yet to see an average quarterly discount that is lower. Additionally, the gap between average discounts for blocks and regular follow-ons has surpassed 2% in five different quarters since 2010, most recently occurring in Q4 of 2015. Looking specifically at accelerated offerings, there has been a notable rise in the discounts in recent years. From 2010 to 2011 the average discount hovered in the 5% range, but has seen an uptick in recent years, hitting as high as 7.2% and surpassing the 6% mark in four of the last five quarters.

Figure 3: Average Discount by Quarter - Block vs Non-Block



Energy, Healthcare and REITs

Looking at the first quarter's follow-on offerings, three sectors dominated the majority of activity, Healthcare (25), Energy (21) and REITs (20). Of all issue types across all sectors, follow-ons from the three aforementioned sectors accounted for 71.0% of all follow-on activity during the quarter. This is nothing new as it has become a steady trend looking back all the way to Q1 of 2010, with the three sectors accounting for the majority of all follow-on activity in 11 of the past 25 quarters. Along with REITs, the majority of issuers are concentrated in the Pharmaceuticals and Oil & Gas industries.

During the first quarter of 2016, Energy and Healthcare companies nearly swept the top ten follow-on deals in terms of proceeds (Figure 4) with the exception of Molson Coors Brewing Co.'s \$2.6B follow-on offering which was used to help the company complete its acquisition of SABMiller's stake in their joint venture MillerCoors. Aside from the one outlier, Energy deals accounted for six of the top ten, while Healthcare accounted for the remaining three deal spots.

Figure 4: Top 10 Follow-ons by Proceeds - Q1 2016

Price Date	Issuer Name	Type	Proceeds (\$M)	Macro Industry
1/28/2016	Molson Coors Brewing Co.	FO	2,585.0	Consumer Goods
3/16/2016	Baxalta Incorporated	FO	2,409.3	Healthcare
2/25/2016	Enbridge Inc.	FO	2,300.0	Energy
1/5/2016	Pioneer Natural Resources Co.	BLK	1,614.6	Energy
2/17/2016	Devon Energy Corp.	BLK	1,487.8	Energy
1/27/2016	Baxalta Incorporated	FO	1,484.1	Healthcare
2/4/2016	Hess Corp.	FO	1,121.3	Energy
2/29/2016	Marathon Oil Corp.	BLK	1,109.3	Energy
2/4/2016	Zimmer Biomet Holdings, Inc.	BLK	1,063.6	Healthcare
2/22/2016	Cabot Oil & Gas Corp.	BLK	1,012.0	Energy

Figure 5: Top 15 Repeat Issuers - Energy, Healthcare and REITs

Issuer Name	Macro Sector	Total Follow-on Count	Total Proceeds (\$M)
Health Care REIT, Inc.	REIT	11	11,871.8
American Capital Agency Corp.	REIT	10	10,055.9
Petroleo Brasileiro SA	Energy	2	9,644.7
Kinder Morgan, Inc.	Energy	3	6,692.8
Annaly Capital Management, Inc.	REIT	4	6,474.2
The Williams Companies, Inc.	Energy	3	6,046.5
HCP, Inc.	REIT	7	5,465.5
HCA Holdings, Inc.	Healthcare	4	5,045.5
AvalonBay Communities, Inc.	REIT	4	4,684.4
Cobalt International Energy, Inc.	Energy	4	4,519.5
Envision Healthcare Holdings, Inc.	Healthcare	4	4,497.6
Pioneer Natural Resources Co.	Energy	4	4,430.3
NorthStar Realty Finance Corp	REIT	10	4,348.5
Allergan plc	Healthcare	1	4,180.0
Starwood Property Trust, Inc.	REIT	8	4,146.1

Looking back through 2010, there has been a total of 3,514 follow-on offerings for combined proceeds of \$1,054.8B with an average deal size of \$300.1M. Healthcare, Energy, and REIT deals have contributed greatly to the overall numbers in terms of deal count and total proceeds. The three sectors accounted for 52.9% of all deals bringing a combined 1,856 follow-on offerings to market. Meanwhile, 46.4% of total proceeds were raked in between the three macro sectors for a total of \$488.3B. The average deal size among Healthcare, Energy and REITs were \$165.7M, \$341.8M and \$310.0M, respectively.

The combined sectors brought 79 deals over \$1.0B to market. The majority came in the form of REIT follow-ons (32) followed closely by Energy deals (30). Looking back to Q1 of 2010, there have been many issuers that have come back to the new issuance market to raise capital (Figure 5), of note, ARMOUR Residential REIT, Inc. returned to the market 14 times with follow-on offerings. Through a mixture of 7 block offerings, 5 accelerated and 2 fully-marketed follow-ons, the company raised \$2.3B. Though ARMOUR dominated in terms of deal count, they were far off from topping the charts in terms of proceeds. Health Care REIT, Inc. issued 11 follow-ons (0 blocks, 10 accelerated, 1 fully marketed) for combined proceeds of \$11.9B. Some noteworthy issuers hailing from the Energy space are Diamondback Energy, Inc. which has had 13 follow-on offerings since Q1 2010 and Petroleo Brasileiro SA which only issued two follow-ons but for an outstanding \$9.6B in total proceeds. Finally from the Healthcare space were Allergan plc's \$4.2B follow-on and Teva Pharmaceuticals Industries Ltd.'s \$3.7B follow-on, both of which were fully marketed offerings.