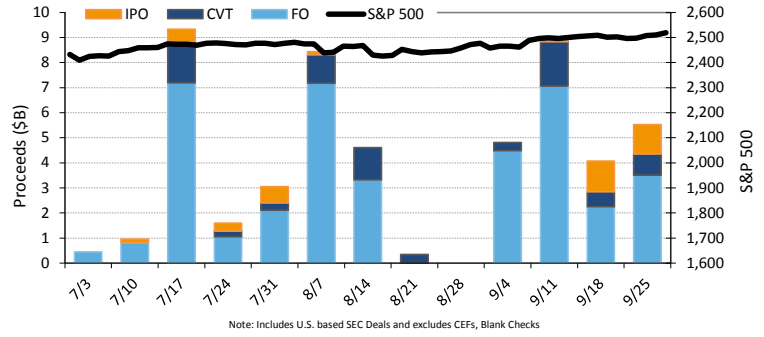


Q3 2017 U.S. New Issuance

	Proceeds (\$M)	Number of Deals
IPOs	4,206.1	26
Follow-ons	21,325.8	85
Block Trades	18,047.9	42
Convertibles	8,497.9	27
Totals	52,077.7	180

New issuance market activity slowed during Q3 as 180 total deals came to market for \$52.1B in combined proceeds, witnessing a decline of 29.4% in deal count and 14.3% in proceeds when compared to the last quarter. Specifically, IPOs during Q3 brought forth a mere 26 deals for \$4.2B, the lowest in total proceeds since Q1 of 2016, which reported \$569.6M. Additionally, follow-ons, including block trades, experienced a decrease from the prior-quarter as 127 deals priced for a total of \$39.4B in aggregate proceeds. Meanwhile, 27 convertible deals came to market bringing in \$8.5B in proceeds.



Healthcare: A Period of Uncertainty

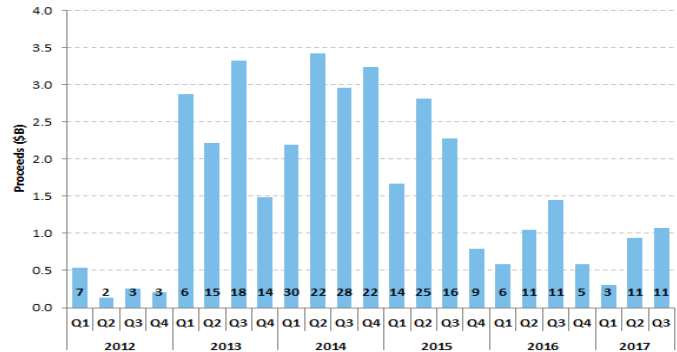
Intro

The third quarter of 2017 noticed a sizable drop in terms of IPO proceeds and deal count from the previous quarter, as 26 IPOs came to market for \$4.2B in proceeds, falling significantly from the second quarter's result of 48 IPOs pricing for \$11.0B in aggregate proceeds. Specifically, the Healthcare sector had a stagnant third-quarter performance in terms of IPO deal count, while dipping in terms of proceeds as compared to Q2, as 11 issuers came to market generating \$1.0B in total proceeds. (Figure 1) While the Healthcare sector experienced low IPO volume in the initial quarter, it has been able to reclaim its usual seat at the table, generating more IPOs than any other sector in the third quarter. The following piece will delve deeper into pricing performance, deal volumes, and key deals from the Healthcare sector.

Deal Volume

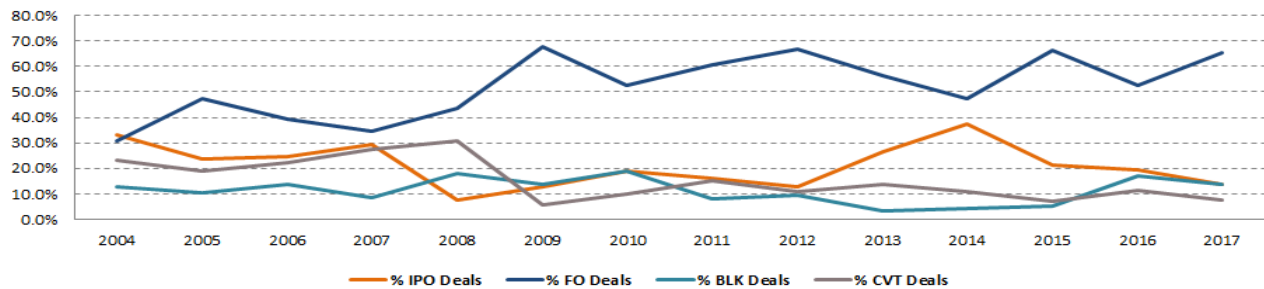
The Healthcare sector has experienced a steady decline in terms of IPO deal count every year since 2014. Looking back to 2001, 2014 marked the height of the market for Healthcare IPO deal count, producing 102 market debuts. Looking at third-quarter performance as compared to 2014, the Healthcare IPO market has witnessed a steep decline, descending 60.7% and 63.7% in terms of deal count and proceeds, respectively. While Healthcare IPO deal activity has fallen in recent years, overall annual deal count has been above average when considering 2004-to-date. Looking at 2017 year-to-date, only 13.5% of Healthcare deals have come in IPO form.

Figure 1: Healthcare IPO Deal Count & Proceeds by Quarter 2012 - YTD



Low IPO deal volume in the Healthcare sector as compared to prior years is happening alongside an ongoing skirmish between Republicans and Democrats regarding the future of and ramifications imposed by the Affordable Care Act, which will undoubtedly shape the future of the Healthcare industry. Since 2007, follow-ons have gained market share within the Healthcare new issuance space. (Figure 2) Zeroing in on the past three years, at the height of the 2014 IPO market, Healthcare follow-ons tumbled while IPOs rose, bringing the deal percentage distribution between the two deal types to their closest level since 2007. In the years following 2014, deal percentage has grown overall for follow-ons while it has dropped in the IPO space.

Figure 1: Healthcare Percentage By Deal Type 2004-YTD



Economic Highlights

Indicator	Q1Δ	Q2Δ
U.S. GDP	2.0%	1.4%

Indicator	Q2Δ	Q3Δ
Non-farm Payrolls	447,000	585,000
Retail Sales ex-Auto	0.0%	0.5%
Factory Orders	1.0%	-1.2%
Industrial Production	1.5%	-0.3%
PPI	-0.5%	0.2%
Core PPI	0.7%	0.1%
CPI	-1.1%	0.5%
Core CPI	1.0%	0.4%

Indicator	June Release	September Release
Jobless Rate	4.3%	4.4%
Consumer Sentiment	95.1	97.6
ISM Mfg. Index	54.9	56.3
ISM Services Index	56.9	55.3
Capacity Utilization	76.6%	76.9%
Housing Starts	1092K	1180K
Building Permits	1168K	1300K
New Home Sales	610K	560K
Existing Home Sales	4.93M	5.35M

Commodities	Q2 End	Q3 End
Crude Oil	\$46.04	\$51.67
Natural Gas	\$3.04	\$3.01
Gold	\$1,240.70	\$1,281.50

Currencies	Q2 End	Q3 End
EUR in USD	1.141	1.182
GBP in USD	1.299	1.342
USD in JPY	112.36	112.565

Bond Yields	Q2 End	Q3 End
U.S. Treasury - 2 year	1.39%	1.48%
U.S. Treasury - 10 year	2.30%	2.33%
U.S. Treasury - 30 year	2.83%	2.86%

U.S. Equity and Equity-Related League Table

Rank	Manager	Q3 2017			Q3 2016		
		Proceeds (\$M)	Mkt. Share %	# Of Deals	Proceeds (\$M)	Mkt. Share %	# Of Deals
1	Goldman Sachs & Co.	7,616.8	15.0	40	8,361.6	12.8	45
2	Morgan Stanley	7,011.2	13.8	41	6,946.9	10.7	43
3	Bank of America Merrill Lynch	6,423.2	12.7	42	7,296.4	11.2	47
4	JP Morgan	6,331.1	12.5	54	12,412.2	19.0	68
5	Barclays	4,061.6	8.0	23	3,998.4	6.1	32
6	Citi	3,831.6	7.5	37	2,707.6	4.2	29
7	Credit Suisse	3,138.9	6.2	23	5,575.1	8.5	41
8	RBC Capital Markets	1,871.3	3.7	19	1,719.4	2.6	24
9	Wells Fargo	1,817.3	3.6	22	3,963.6	6.1	43
10	Deutsche Bank	1,246.6	2.5	14	5,239.2	8.0	21
Subtotal		43,349.6	83.2%	-	58,220.5	87.9%	-
Total		52,077.7		180	66,245.1		192

U.S. IPO League Table

Rank	Manager	Q3 2017			Q3 2016		
		Proceeds (\$M)	Mkt. Share %	# Of Deals	Proceeds (\$M)	Mkt. Share %	# Of Deals
1	Citi	523.1	12.8	11	387.6	6.3	8
2	JP Morgan	436.9	10.7	9	844.5	13.7	13
3	Morgan Stanley	353.0	8.6	7	759.0	12.3	9
4	Goldman Sachs & Co.	303.6	7.4	6	652.4	10.6	9
5	Deutsche Bank	263.8	6.5	5	289.5	4.7	4
6	Credit Suisse	258.5	6.3	5	375.1	6.1	7
7	Jefferies LLC	248.5	6.1	6	307.3	5.0	8
8	RBC Capital Markets	192.5	4.7	5	226.3	3.7	7
9	Bank of America Merrill Lynch	168.7	4.1	4	346.3	5.6	7
10	Wells Fargo	165.9	4.1	6	241.8	3.9	5
Subtotal		2,914.5	69.3%	-	4,429.7	71.3%	-
Total		4,206.1		26	6,215.6		31

U.S. Follow-On League Table

Rank	Manager	Q3 2017			Q3 2016		
		Proceeds (\$M)	Mkt. Share %	# Of Deals	Proceeds (\$M)	Mkt. Share %	# Of Deals
1	Goldman Sachs & Co.	6,761.9	17.7	30	5,416.5	12.4	28
2	Morgan Stanley	4,862.0	12.7	27	5,020.7	11.5	26
3	JP Morgan	4,627.7	12.1	33	9,879.3	22.5	42
4	Bank of America Merrill Lynch	4,326.6	11.3	27	6,408.0	14.6	32
5	Barclays	3,102.7	8.1	15	3,273.5	7.5	23
6	Citi	2,838.6	7.4	22	1,755.5	4.0	17
7	Credit Suisse	2,770.4	7.2	17	4,040.6	9.2	27
8	Wells Fargo	1,538.9	4.0	15	2,280.4	5.2	25
9	RBC Capital Markets	1,283.8	3.4	12	1,263.6	2.9	14
10	Deutsche Bank	836.6	2.2	7	1,590.9	3.6	12
Subtotal		32,949.2	83.7%	-	40,929.0	91.9%	-
Total		39,373.7		127	44,551.5		134

U.S. Equity-Related League Table

Rank	Manager	Q3 2017			Q3 2016		
		Proceeds (\$M)	Mkt. Share %	# Of Deals	Proceeds (\$M)	Mkt. Share %	# Of Deals
1	Bank of America Merrill Lynch	1,927.9	22.9	11	542.2	3.6	8
2	Morgan Stanley	1,796.3	21.3	7	1,167.1	7.7	8
3	JP Morgan	1,266.4	15.0	12	1,688.3	11.1	13
4	Barclays	847.5	10.0	5	488.0	3.2	3
5	Goldman Sachs & Co.	551.3	6.5	4	2,292.8	15.0	8
6	Citi	470.0	5.6	4	564.5	3.7	4
7	RBC Capital Markets	395.0	4.7	2	229.5	1.5	3
8	SunTrust Robinson Humphrey	189.2	2.2	2	327.5	2.1	4
9	JMP Securities	157.0	1.9	3	28.8	0.2	1
10	BNP Paribas	151.3	1.8	2	179.5	1.2	2
Subtotal		7,751.8	91.2%	-	7,508.1	48.5%	-
Total		8,497.9		27	15,478.0		27

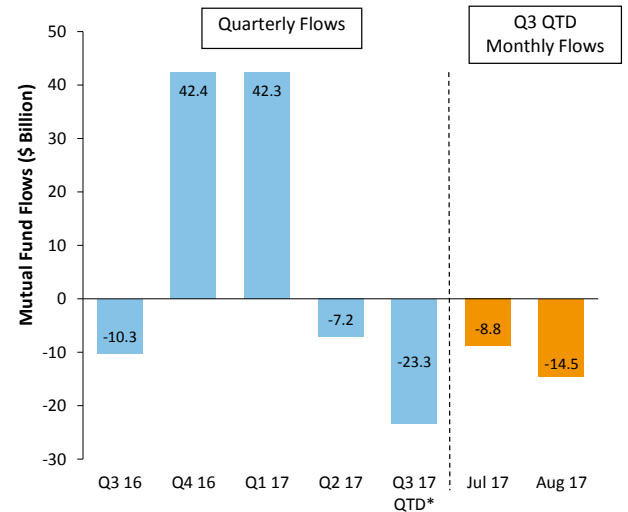
New Issuance Recap

The broader markets closed higher in the third quarter as the S&P gained 3.9%, the DJIA rose 4.9%, and the NASDAQ ascended 5.8%. Equity issuance slowed in the third quarter of 2017 as it raised \$52.1B across 180 deals, compared to the 233 deals that raised a grand total of \$60.7B in the second quarter. When contrasted to the prior-year period, deal count diminished 5.6% year-over-year, as collective proceeds declined 19.9%.

The IPO market also tapered off as 26 new issuers came to market for total proceeds of \$4.2B, down from Q2's deal count of 48 deals that saw \$10.9B of capital. Notably, Q3 pushed 2017's total year-to-date IPO deal count to 96, surpassing the 2016's total of 88 IPOs. Despite the seasonal slowdown in the new issuance market, Q3 2017 witnessed a decrease over the equivalent period last year, which generated \$6.2B in proceeds for 31 issuers seeking capital. Of note, the weeks of August 13th through September 8th were marked by four consecutive weeks where not a single company came to market. That marked the first such streak since late December 2016 into early January 2017. Paving the way, the Healthcare sector encountered more IPO deals than any other space, with 11 IPOs that generated \$13.2B in total proceeds. Additionally, the Healthcare sector produced the largest first-day IPO pop of the quarter as Nightstar Therapeutics reported a 71.4% gain on its first day of trading, raising \$75.0M in proceeds. However, the Basic Materials space had the two largest offerings during the period as Venator Materials PLC and PQ Group Holdings, Inc. raised \$522.1M and \$507.5M, respectively.

Furthermore, 127 follow-on offerings, including block trades, came to market during the quarter, raising \$39.4B in proceeds. In comparison, Q3 2017 saw less deals price than both Q2 2017 and Q3 2016, which had 159 offerings for \$40.1B and 133 deals for \$43.7B, respectively. In terms of proceeds, Crown Castle International Corp.'s follow-on offering accrued \$3.9B, which more than doubled distant second First Data Corp., who amassed \$1.7B in investment. To note, Crown Castle International Corp. ranks as the largest follow-on offering of 2017 year-to-date. Diving into block trades, TransUnion was the largest block offering during the quarter generating \$1.2B in proceeds, hailing from the Industrials sector. Meanwhile, the Consumer Services sector had two of the top five block trades during the quarter, from US Foods Holding Corp and Hilton Worldwide Holdings Inc., which brought in \$1.1B and \$1.0B in proceeds, respectively. Moving on to convertibles, Crown Castle emerged as the top U.S. equity-related offering as its convertible deal produced \$1.7B in proceeds. This quarter's 27 deals for \$8.5B in proceeds remained relatively similar to Q2's 26 deals for \$9.7B total proceeds.

Mutual Fund Flows



So far, 2017's YTD mutual fund flows (updated with results through the end of August) has continued its downward trend and reported a \$23.3B outflow, following suit from Q2's \$7.2B outflow. U.S. mutual funds also saw an outflow during the same period last year, reporting a decline of \$10.3B. Breaking down what we have for Q3, July and August posted outflow of \$8.8B and \$14.5B, respectively as investors evaluated geopolitical tensions and a possible rate hike by the end of the year.

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

U.S. IPO Pricing Performance

Month	Total Proceeds (\$M)	# of Deals	Pricing Range			% Change	
			Above	Within	Below	Offer / 1 Day	Offer / 1 Mo
Jul/17	964.9	8	13%	75%	13%	25.1	42.6
Aug/17	785.1	4		75%	25%	-0.4	-2.6
Sep/17	2,456.1	14	7%	79%	14%	20.8	-
YTD	26,082.1	96	14%	67%	20%	11.0	16.9

The market welcomed 26 IPOs in 2017's Q3, which averaged a 15.2% jump in the initial day of trading and raised a combined \$4.2B in proceeds. Comparably, Q3 2016 saw 31 IPOs make their debut with an average first day gain of 18.4% for \$6.2B in combined proceeds. The largest first day pop during the quarter came from the Healthcare sector as Nightstar Therapeutics Plc soared 71.4%. Roku, Inc placed second in terms of first day gain, rising 67.9% on their first day of trading out of the Consumer Services sector. Elsewhere, 20 of the 26 IPOs priced within their initial filing ranges this quarter, while Redfin Corp. and RYB Education, Inc were the only deals to price above their filing range. Meanwhile, the largest first day decline came from Secoo Holding Limited of the Consumer Services sector, which saw a 23.1% slide.

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.

U.S. Follow-On Pricing Performance

Month	Total Proceeds (\$M)	# of Deals	Marketing Type		Last / Offer	% Change File / Offer	Offer / 1 Mo
			Accelerated	Fully-Marketed			
Jul/17	7,528.3	25	32%	68%	-5.7	-10.0	-1.9
Aug/17	5,382.7	25	36%	64%	-5.3	-8.9	14.2
Sep/17	8,414.9	35	34%	66%	-5.3	-7.4	-
YTD	74,328.5	314	45%	55%	-5.6	-7.6	5.3

When comparing fully-marketed follow-ons to accelerated follow-ons, Q3 tilted towards the former, as 65.9% of the period's offerings were fully marketed, pulling the year-to-date split to 55.0% fully marketed. Of note, Q1 reported a 50.0% split between fully-marketed and accelerated offerings, as fully-marketed follow-ons have increased in percentage each quarter in 2017. Moreover, during the quarter, 85 follow-ons hit the market and saw an average 8.8% discount, lower than the prior quarter's average 6.5% discount. On a monthly basis, the average discount in July was 10.0%, followed by August and Septembers discount of 8.9% and 7.4%, respectively. Finally, the 85 follow-ons in Q3 raised a combined \$21.3B, bringing the total for the year to 314 deals for a total of \$74.3B in proceeds.

Q3 2017 Priced by Industry

Rank	Industry	Proceeds (\$M)	Market Share (%)	# of Deals
1	Healthcare	13,161.0	25.3	66
2	REIT	10,515.6	20.2	24
3	Consumer Services	7,470.0	14.3	20
4	Technology	7,455.3	14.3	16
5	Industrials	4,522.2	8.7	14
6	Financials	2,928.9	5.6	19
7	Energy	2,558.8	4.9	10
8	Basic Materials	1,416.5	2.7	5
9	Consumer Goods	1,405.4	2.7	4
10	Utilities	644.2	1.2	2
		52,077.7		180

Industry Highlights

The Healthcare sector was the champion of deal count for the eleventh straight quarter, welcoming 66 issuers that raised a total of \$13.2B in proceeds. Specifically, 51 of the quarter's 127 follow-ons (including blocks) came from the Healthcare sector, raising a combined \$10.5B in proceeds. The largest follow-on during the quarter, and the largest convertible deal of the quarter, came from the same company in the REIT sector, as Crown Castle International Corp. generated \$3.8B via their July follow-on offering and \$1.6B via their July convertible deal. Additionally, the REIT sector came away with the second highest number of deals, totaling 24 for \$10.5B. Elsewhere, the Healthcare sector posted 11 of the 26 IPOs for the quarter, bringing in \$1.1B in proceeds.

2017 YTD Priced by Industry

Rank	Industry	Proceeds (\$M)	Market Share (%)	# of Deals
1	Healthcare	32,665.9	18.3	185
2	REIT	31,240.2	17.5	82
3	Technology	27,943.5	15.7	70
4	Consumer Services	25,638.7	14.4	68
5	Energy	19,721.9	11.0	56
6	Financials	16,884.3	9.5	95
7	Industrials	14,979.6	8.4	51
8	Consumer Goods	4,617.2	2.6	17
9	Basic Materials	4,150.9	2.3	16
10	Utilities	644.2	0.4	2
		178,486.5		642

Separately, the Consumer Services sector raised the third highest amount of proceeds during Q3, behind the Healthcare and REIT spaces, and was the fourth-highest in terms of deal count with 17 deals pricing, representing 14.3% of the market share. From this sector, the largest deal came in the form of a follow-on offering from US Foods Holding Corp., which generated \$1.1B in proceeds. There was only one convertible offering from this sector during the quarter as Wayfair Inc. generated \$375.0M in proceeds. Moreover, 10 block offerings from the Consumer Services space raised a total of \$5.1B in aggregate proceeds, generating more funds via block offerings than any other sector.

IPO Backlog Highlights
Top Bookrunners in Backlog

Rank	Industry	Proceeds (\$M)	Market Share (%)	# of Deals
1	Morgan Stanley	1,273.6	15.8	16
2	Credit Suisse	1,114.4	13.8	11
3	Goldman Sachs & Co.	1,053.1	13.0	12
4	Citi	657.1	8.1	11
5	Bank of America Merrill Lynch	551.5	6.8	11
6	JP Morgan	495.1	6.1	10
7	Deutsche Bank	416.9	5.2	5
8	Wells Fargo	370.5	4.6	6
9	Barclays	340.5	4.2	6
10	RBC Capital Markets	290.5	3.6	7
	SubTotal	6,563.2	77.5%	
	Total	8,465.1		40

Top Filed Deals

Rank	Issue Name	Amt Filed (\$M)	Industry
1	Albertsons Companies, Inc.	1,600.0	Consumer Services
2	Sea Limited	1,000.0	Technology
3	Qudian Inc.	750.0	Financials
4	Vine Resources Inc.	500.0	Energy
5	Switch, Inc.	468.8	Technology
6	Liberty Oilfield Services Inc.	400.0	Energy
7	Bicapital Corporation	345.0	Financials
8	Mosaic Acquisition Corp	300.0	Financials
9	Vencore Holding Corp.	250.0	Technology
10	Howard Midstream Partners, LP	200.0	Energy
	SubTotal	5,813.7	
	Total	8,465.1	

At the close of 2017's third quarter, the current six-month IPO backlog rests at a total of 40 deals for anticipated total proceeds of \$8.5B. In comparison, the backlog at the close of 2017's second quarter stood at 29 deals for \$5.6B in expected proceeds, representing a quarterly projected increase of 50.1%. Furthermore, 2017's third quarter projected proceeds are 65.6% ahead of the comparable period of 2016 in which only 30 deals were expected for anticipated proceeds of \$5.1B. Of note, Consumer Services issuer Albertsons Companies, Inc. remains the largest deal in terms of proceeds in the backlog in its anticipated \$1.6B offering. In addition, the Consumer Services sector leads the backlog in terms of projected proceeds with \$2.1B. Finally, in terms of deal count, the Energy sector is atop the leaderboard with eight IPOs expected to generate \$1.6B in aggregate proceeds.

Top U.S.-Based Deals by Proceeds
Quarter Ending September 30, 2017
U.S. IPOs

2017 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 File / Offer	Last Trade / Offer / 1 Day	Offer / Qtr End		
9	8/2/17	Venator Materials PLC	VNTR	522.1	26.1	20.00	20.00 - 22.00	(4.8)	3.3	13.0	CITI, GS, BAML, JPM, BRCLY, DB, UBS, RBC	Basic Materials
10	9/28/17	PQ Group Holdings Inc.	PQG	507.5	29.0	17.50	21.00 - 23.00	(20.5)	(1.4)	(1.4)	MS, GS, CITI, CS, JPM, JEFFER, DB,	Basic Materials
13	9/19/17	BEST Inc.	BSTI	450.0	45.0	10.00	13.00 - 15.00	(4.8)	5.2	19.7	CITI, GS, GS, JPM, DB	Industrials
18	9/19/17	Despegar.com, Corp.	DESP	332.0	12.8	26.00	23.00 - 26.00	6.1	22.2	23.1	MS, CITI, ITAU, UBS	Consumer Services
28	7/19/17	TPG RE Finance Trust, Inc.	TRTX	233.0	11.7	20.00	20.00 - 21.00	(2.4)	(2.1)	(1.2)	BAML, CITI, GS, WFC, DB, JPM, MS, BRCLY	Financials
				Total (\$M):	2,044.6			Mean:	(5.3)	5.4	10.6	
				% of Total Q3 IPOs:	48.6%			Median:	(4.8)	3.3	13.0	

U.S. Marketed Follow-Ons

2017 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	7/20/17	Crown Castle International Corp.	CCI	3,854.4	40.2	96.00		(0.7)	(1.3)	4.1	MS, BAML, JPM, BRCLY, RBC	Financials
5	9/13/17	First Data Corp.	FDC	1,735.1	97.8	17.75		(5.8)	(3.6)	1.6	BAML, CITI, KKR, PNC, WFC, CS, DB, GS, HSBC, MIZUHO, MS, SUNTCAP, STFL,	Technology
6	8/8/17	Thermo Fisher Scientific Inc.	TMO	1,725.0	10.1	171.00		(3.6)	(1.7)	10.6	GS, CITI, BAML	Healthcare
19	9/28/17	CoStar Group, Inc.	CSGP	750.0	2.9	260.00		(6.9)	(2.3)	3.2	JPM, GS, CITI, BAML, SUNTCAP, WFC	Technology
24	7/19/17	XPO Logistics, Inc.	XPO	665.5	11.0	60.50		(5.2)	(0.0)	12.0	MS, JPM, BRCLY, CITI, DB, BAML, CS	Industrials
				Total (\$M):	8,730.0			Mean:	(4.4)	(1.8)	6.3	
				% of Total Q3 Follow-Ons:	40.9%			Median:	(5.2)	(1.7)	4.1	

U.S. Block Trades

2017 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 File / Offer	Last Trade / Offer / 1 Day	Offer / Qtr End		
2	7/31/17	TransUnion	TRU	1,185.9	25.9	45.83	33	0.0	0.3	3.1	JPM, BAML, MS	Industrials
3	9/13/17	US Foods Holding Corp.	USFD	1,100.0	40.0	27.50	37	(1.8)	(1.6)	(2.9)	JPM, MS	Consumer Services
4	9/28/17	Hilton Worldwide Holdings Inc.	HLT	1,011.0	14.6	69.20	7	(0.2)	0.4	0.4	GS	Consumer Services
5	8/14/17	Energy Transfer Partners, L.P.	ETP	1,007.1	54.0	18.65	63	(5.0)	(0.2)	(1.9)	BRCLY	Energy
9	9/5/17	GoDaddy Inc.	GGDY	882.2	20.1	44.00	25	(2.6)	(0.7)	(1.1)	MS, GS	Technology
				Total (\$M):	5,186.2			Mean:	(1.9)	(0.4)	(0.5)	
				% of Total Q3 Block Trades:	28.7%			Median:	(1.8)	(0.2)	(1.1)	

U.S. Equity Related

2017 Rank	Offer Date	Issuer Name	Ticker	Proceeds+ Ovl (\$M)	Coupon	Premium	Maturity	Coupon Talk	Premium Talk	Bookrunner(s)	Industry
4	9/12/17	Workday, Inc.	WDAY	1,150.0	0.250	37.50	10/1/22	0-0.5	35-40	MS, BAML	Technology
9	8/18/17	Jazz Pharmaceuticals plc	JAZZ	575.0	1.500	50.00	8/15/24	1.5-1.5	50-50	MS	Healthcare
15	9/27/17	IAC/InterActive Corporation	IAC	517.5	0.875	32.50	10/1/22	1-1.5	27.5-32.5	JPM, GS, BMO, GUGGEN, BAML, BNPPAR	Technology
17	8/7/17	BioMarin Pharmaceutical Inc.	BMRN	495.0	0.599	40.00	8/1/24	0.599-0.599	40-40	BAML, GS, JPM	Healthcare
				Total (\$M):	4,387.5						
				% of Total Q3 Equity Related:	51.6%						

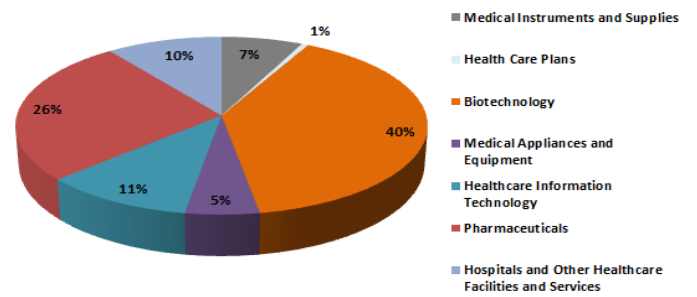
Notes: Includes U.S. based SEC Deals and excludes CEFs and Blank Checks

Major Deals & Industry

The third quarter was not marked by many large deals, with only one breaking the \$1.0B mark, coming from Thermo Fisher Scientific Inc.'s follow-on offering that hauled in \$1.7B in proceeds. Notably, Thermo Fisher represents the third largest deal of the quarter overall and was over four times larger than the next largest follow on of the quarter, which came from Insmid Inc.'s \$402.5M offering. The three largest block trades of the third quarter came from Quintiles IMS Holdings Inc. (\$857.3M), PRA Health Sciences, Inc. (\$757.5M), and Incyte Corp. (\$652.7M). Meanwhile, the largest IPO arising from the Healthcare sector ranked only 27th in proceeds among all third quarter deals, as Zai Lab Ltd's debut generated only \$150.0M. Taking a closer look at IPO deal size among Healthcare issuers, 2017's average IPO generate proceeds of \$93.8M with no deals breaking the \$200.0M ceiling as of yet. The only IPO year-to-date that has come close to hitting the \$200.0M mark came from Biohaven Pharmaceutical Holding Company, Ltd which collected \$193.5M in proceeds. The last time the market witnessed a deal exceeding \$200.0M in proceeds was in October of 2016 when Myovant Sciences Ltd. brought in \$217.5M in proceeds. Average IPO proceeds in the Healthcare sector have been under \$200M on an annual basis since 2011, when the average deal size was \$374.1M. Notably, the low point in terms of average proceeds among Healthcare IPOs was 2012, averaging a meager \$76.2M.

Focusing in on a mid-industry level, the Biotechnology and Pharmaceuticals sub-sector is the clear dominant force in the Healthcare sector. This mid-industry accounts for 76.0% of the 292 IPOs to come from the Healthcare sector since 2012, totaling in 222 deals. Biotechnology and Pharmaceuticals also prevails in proceeds, albeit by not as much, as it accounts for 66.2% of all funds generated by Healthcare IPOs looking at the same time period. Drilling down even further, the Biotechnology micro industry accounts for 52.1% of all Healthcare IPOs, as it priced 152 of the 292 total initial offerings since the aforementioned period. Separately, the mid-industry with the least recent volume is the Healthcare and Supplies Wholesale sub-sector, which has not had an IPO price since August of 2005 and has not had a deal of any type price since November of 2015. Taking a closer look, 10 of the 11 market debuts to come from the Healthcare sector came from the Biotechnology micro-sector. Only one deal hailed from the Pharmaceuticals space, with PetIQ, Inc raising \$100.0M in its market debut.

Figure 3: Healthcare IPO Micro Industries Proceeds 2012 - YTD

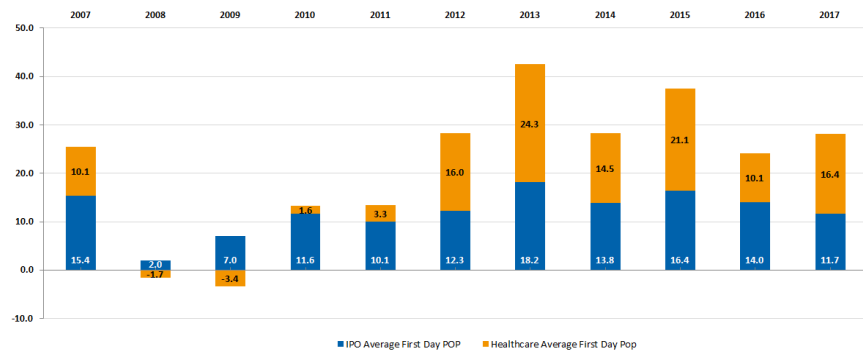


Pricing Performance

Turning to first-day IPO pricing performance, the Healthcare sector ranks fourth out of all sectors since 2012, posting an average 16.7% jump. That figure has marginally declined this year alone, as the 25 Healthcare IPOs have averaged a 13.8% first-day gain, yet ranked second out of all sectors. The 13.8% rise seen this year was dragged down by three IPOs in particular, as Ovid Therapeutics, Inc., ObsEva SA and Aileron Therapeutics, Inc. posted first-day drops of 18.3%, 22.3%, and 28.0% respectively. Of note, the 28.0% drop by Aileron Therapeutics was the largest first day drop posted by any Healthcare IPO dating back to 2001. Conversely, the largest first-day pop of the year came towards the end of the quarter as Nightstar Therapeutics Inc.'s debut on September 27th catapulted 71.4% on its first day of trading. Another honorable mention came from Zai Lab Limited's \$150.0M debut and witnessed a 55.2% hike on its first day of trading. Looking back to 2001, Dicerna Pharmaceuticals, Inc. first-day pop, which skyrocketed 206.7% and priced on January 29, 2014, stands out as the most impressive first day performance from a Healthcare IPO. Of the top 25 first-day increases since 2001, all have debuted after 2011 with the exception of Athena Health, Inc. which rose 97.2% and fell tenth on this list after it debuted on September 19th 2007. When considering price relative to initial filing range, of the 25 IPOs to come to market this year, only three did not come to market within their initial ranges. Jounce Therapeutics, Inc. and Biohaven Pharmaceutical Holding Company Ltd. both priced above their amended filing ranges, while Akcea Therapeutics, Inc. was the lone company to price below its range.

When we compare average Healthcare IPO first-day performance to other marketplace sectors as far back as 2007, Healthcare first-day pops have outperformed that of other sectors. Looking at Healthcare first-day performance specifically, annual average performance has reversed course from 2008 and 2009 which both saw annual average first-day decreases. While Healthcare IPO deal count and deal size seem to get smaller as time goes on, we can conclude initial trading sessions within the sector generally outperform those of other sectors.

Figure 4: Healthcare IPOs Offer/ 1-Day vs All IPOs Offer 1/Day 2007- YTD



U.S. Equity and Equity-Related League Table

Rank	Manager	2017 YTD			2016 YTD		
		Proceeds (\$M)	Mkt. Share %	# Of Deals	Proceeds (\$M)	Mkt. Share %	# Of Deals
1	Morgan Stanley	21,029.9	12.2	168	16,973.9	10.6	99
2	JP Morgan	20,441.1	11.8	195	26,150.9	16.4	154
3	Goldman Sachs & Co.	19,884.0	11.5	139	19,772.7	12.4	105
4	Bank of America Merrill Lynch	19,298.6	11.2	164	16,086.8	10.1	114
5	Citi	15,210.4	8.8	148	11,030.0	6.9	81
6	Barclays	13,820.1	8.0	109	11,355.9	7.1	75
7	Credit Suisse	10,437.1	6.0	109	13,268.7	8.3	99
8	Wells Fargo	8,952.8	5.2	103	7,792.7	4.9	88
9	Deutsche Bank	6,512.8	3.8	64	11,427.7	7.2	49
10	RBC Capital Markets	5,799.6	3.4	77	4,180.6	2.6	61
	Subtotal	141,386.3	79.2%	-	138,039.9	84.7%	-
	Total	178,486.5		642	162,968.6		481

U.S. IPO League Table

Rank	Manager	2017 YTD			2016 YTD		
		Proceeds (\$M)	Mkt. Share %	# Of Deals	Proceeds (\$M)	Mkt. Share %	# Of Deals
1	JP Morgan	3,133.7	12.3	42	1,614.5	12.9	22
2	Morgan Stanley	2,669.8	10.5	33	1,454.4	11.6	18
3	Goldman Sachs & Co.	2,475.4	9.7	31	1,403.3	11.2	20
4	Citi	2,113.3	8.3	36	917.1	7.3	16
5	Credit Suisse	2,093.2	8.2	30	771.0	6.2	15
6	Deutsche Bank	1,893.3	7.4	21	859.5	6.9	10
7	Barclays	1,749.4	6.9	23	493.6	3.9	10
8	Bank of America Merrill Lynch	1,434.8	5.6	23	1,031.9	8.2	15
9	RBC Capital Markets	1,266.6	5.0	21	297.5	2.4	10
10	Wells Fargo	1,211.1	4.8	25	545.2	4.4	10
	Subtotal	20,040.6	76.8%	-	9,388.1	73.7%	-
	Total	26,082.1		96	12,732.5		63

U.S. Follow-On League Table

Rank	Manager	2017 YTD			2016 YTD		
		Proceeds (\$M)	Mkt. Share %	# Of Deals	Proceeds (\$M)	Mkt. Share %	# Of Deals
1	Goldman Sachs & Co.	14,727.6	12.5	93	14,999.9	12.7	70
2	Morgan Stanley	14,395.0	12.2	108	10,511.2	8.9	68
3	Bank of America Merrill Lynch	13,553.3	11.5	108	13,789.0	11.7	86
4	JP Morgan	13,231.5	11.2	121	21,161.3	18.0	107
5	Citi	11,093.8	9.4	94	8,873.6	7.5	56
6	Barclays	9,875.7	8.4	71	10,278.5	8.7	61
7	Credit Suisse	7,389.1	6.3	71	11,150.4	9.5	75
8	Wells Fargo	5,648.9	4.8	66	5,567.9	4.7	63
9	RBC Capital Markets	3,725.5	3.2	49	3,127.0	2.7	42
10	Deutsche Bank	3,173.1	2.7	36	3,646.1	3.1	31
	Subtotal	96,813.5	79.3%	-	103,104.9	85.5%	-
	Total	122,131.9		463	120,621.4		364

U.S. Equity-Related League Table

Rank	Manager	2017 YTD			2016 YTD		
		Proceeds (\$M)	Mkt. Share %	# Of Deals	Proceeds (\$M)	Mkt. Share %	# Of Deals
1	Bank of America Merrill Lynch	4,310.5	14.5	33	1,265.9	4.3	13
2	JP Morgan	4,075.9	13.7	32	3,375.1	11.5	25
3	Morgan Stanley	3,965.1	13.3	27	5,008.3	17.1	13
4	Goldman Sachs & Co.	2,680.9	9.0	15	3,369.4	11.5	15
5	Barclays	2,195.0	7.4	15	583.8	2.0	4
6	Wells Fargo	2,092.8	7.0	12	1,679.6	5.7	15
7	Citi	2,003.3	6.7	18	1,239.3	4.2	9
8	Deutsche Bank	1,446.4	4.9	7	6,922.1	23.6	8
9	Jefferies LLC	1,113.5	3.7	8	190.0	0.6	2
10	Credit Suisse	954.8	3.2	8	1,347.3	4.6	9
	Subtotal	24,838.2	82.0%	-	24,980.7	84.4%	-
	Total	30,272.5		83	29,614.8		54

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