



INVESTMENT U RESEARCH REPORT

Initial Public Offerings

IPOs Are About to Yield Another Crop of Millionaires - Here's How You Can Be One of Them...

An Investment U White Paper
From the Investment U Research Team

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Getting in on hot initial public offerings can make you a fortune.

“More millionaires have been made in the IPO market,” says David Menlow, author and financial commentator, “than any other segment of the stock market.”

And right now, new stock offerings are lining up at the door...

According to the SEC, 158 companies were waiting to go public at the beginning of the year. These offerings represented roughly \$24 billion.

Over the last 12 months, more than a dozen of them could have doubled your money.

Indeed, 2007 is fast becoming a banner year for IPOs. And the thing is, you no longer need a million bucks to get in...

Initial Public Offerings Can Go Up 354%... In A Single Day

Since January, 106 IPOs have debuted. Fortress Investment Group (NYSE: FIG) and JA Solar Holdings (Nasdaq: JASO), for example, introduced themselves to the public in February and have harvested gains of 60% and 64% respectively.

FCStone Group Inc. (Nasdaq: FCSX) has risen 88% in just three months.

But with so many new IPOs hitting the market this year, you may wonder whether the pool of reliable companies has been diluted. After all, a lot of investors got burned by the blockbuster promises of the dotcom days.

Well, the difference back then was that those same investors were scooping up any business they thought might have serious growth potential.

Unfortunately for them, many of those businesses had absolutely no profits or revenues. This was an easy mistake to make seven and eight years ago because only 25% of companies that went public in 1999 and 2000 were profitable. That wasn't a problem in 2006. Last year, 72% of the companies going public were already profitable.

An abundance of IPOs clamoring for investment and a newfound quality in the market are the two main reasons new offerings have been taking off, with substantial gains.

Now, here's why the IPO market can make individual investors rich, even if you're not an accredited investor, or don't have a million bucks to plunk down...

Triple-Digit Gains in the IPO "Aftermarket"

The biggest misconception about IPOs is that you can't win big if you don't get in on a newly issued stock before it hits the market. It's assumed that the big money gains are reserved for accredited investors and investment bankers. But that doesn't have to be the case.

You don't need to be an institution-sized preferred customer. And it doesn't even matter if you get in right away. You can invest in IPOs, make 3, 5, or even 7 times your investment, and you can do it safely.

It's true that wealthy, high-profile investors have taken advantage of Private Equity Investments by cashing in and going public. Public offerings have raked in billions of dollars for their owners and their ground floor investors, those few privileged enough to be let in on the initial investment just as its set to go public.

Campfire stories about investment bankers issuing preferential treatment to their best clients, and leaving the little guy out in the cold have circulated and left most investors scared to enter the IPO jungle.

The secret that has been kept so quiet among those who have made the most money in the IPO market is that you can easily make just as much money by investing in the aftermarket.

The "aftermarket" is just another word for the public market where anyone can buy shares once they begin trading. Too many investors believe all the profits are taken by those that get an initial allocation. And that's simply not true.

For instance, last year, the average IPO returned 26%, nearly doubling the return of the S&P 500. More importantly, though, 50% of this out-performance, came in the aftermarket. And these are just the averages...

If you purchased shares of Riverbed Technology (Nasdaq: RVBD), MasterCard (NYSE: MA), or Omrix Biopharmaceuticals (Nasdaq: OMRI) on the second day of trading, you would currently be sitting on gains of 91%, 188%, and 261%. Here's a list of recent aftermarket gains...

Top Performing IPOs (Last 12 Months)

Company Name	Symbol	First Day Close Price	Recent Price	Aftermarket Return
Omrix Biopharmaceuticals	OMRI	\$10.03	\$30.26	201.70%
Vanda Pharmaceuticals	VNDA	\$9.68	\$24.65	154.60%
Acorda Therapeutics	ACOR	\$6.72	\$15.84	135.70%
Osiris Therapeutics	OSIR	\$11.00	\$25.32	130.20%
Omniture	OMTR	\$6.53	\$14.08	115.60%
MasterCard Incorporated	MA	\$46.00	\$98.49	114.10%
Riverbed Technology	RVBD	\$15.30	\$30.70	100.70%
Volcano Corporation	VOLC	\$8.80	\$16.39	86.30%
Calumet Specialty Prod L.F.	CLMT	\$21.75	\$40.04	84.10%
Techwell	TWLL	\$8.75	\$16.06	83.50%
Home Inns & Hotels Mngmt	HMIN	\$22.50	\$37.54	66.80%
Koppers Holdings	KOP	\$15.75	\$26.07	65.50%
New Oriental Education	EDU	\$20.88	\$33.54	60.60%
InnerWorkings	INWK	\$10.45	\$15.96	52.70%
Crocs Inc.	CROX	\$28.55	\$43.20	51.30%
J. Crew	JCG	\$25.55	\$38.55	50.90%

*Prices as of December 28, 2006

The Wall Street Journal just dubbed current market conditions an “IPO Feast.”

Now's the time to cash in on the aftermarket – the most profitable lot of stocks the market has to offer.

Good Investing,

Investment U Research

Editor's Note: Here's a current [list of upcoming IPOs](#). This is where you'll find the most recent shares to hit the market, and upcoming offerings. (Companies with an active ticker symbol are now trading on the public exchanges.)

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