



# **CRSP<sup>®</sup> MARKET INDEXES**

## **IPO REPORT**

**Q4 2023**

# ABOUT CRSP

As an affiliate of The University of Chicago Booth School of Business, the Center for Research in Security Prices LLC (CRSP) has been driving financial innovation since its founding in 1960.

For over 60 years, CRSP has been the premier provider of the world's first and most comprehensive resource for historical security prices and returns information, offering scholars and market participants data of the highest integrity and transparency to ensure the strongest foundation for economic forecasting, stock market research and financial analysis conducted by academic organizations, investment banks, brokerage firms, corporations and government agencies.

---

CRSP data has led to the transformation of the world of finance, illuminating the benefits of investments in equities, providing understanding of factors such as value, size and momentum, exploring the benefits of passive investing vs. active management, and contributing to the ongoing improvement of investor outcomes and the development of the modern financial ecosystem and investment industry.

Today, more than 600 leading academic institutions in 35 countries rely on CRSP data for academic research and to support classroom instructions.

**CRSP<sup>®</sup>**  
**RESEARCH**  
**DATA**  
**PRODUCTS**

**CRSP<sup>®</sup>**  
**MARKET**  
**INDEXES**

---

CRSP has been producing indexes since 1966, helping academics and practitioners understand and research the trends in the financial markets. Drawing on this expertise, in 2011 CRSP designed and launched the CRSP Market Indexes (CRSPMI) product line to provide a comprehensive suite of efficient, transparent and representative benchmarks covering the entire U.S. equity marketplace.

The CRSPMI products are anchored by the flagship CRSP Total Market Index (CRSPTM1), which provides investors with a consistently holistic and representative benchmark for the entire qualifying U.S. equity market. Building from this, the CRSPMI suite further expands to offer investors a wide selection of market capitalization indexes (Micro, Small, Mid, Large, Mega) supplemented with a broad offering of Value and Growth styles, Sectors, and ESG benchmarks.

---

# CRSP<sup>®</sup> MARKET INDEXES

CRSP Market Indexes (CRSPMI) are investable, real-time indexes that strive to blend advancements in academic research with current commercial practice in a fundamentally sound manner under the premise that an index must reflect the way that money managers actually invest.

CRSPMI have over \$2 trillion in linked assets, making them highly relevant for the investors trying to understand the trends in US Equities Markets.

One of the key aspects of investable indexes is ensuring that the indexes represent all the available public securities representing the U.S. equity marketplace as closely as possible, subject to turnover and other costs and management considerations.

Companies become public through IPOs or other business transactions, such as De-SPAC. CRSP evaluates the new issues to be considered for index inclusion based on several factors:

- **Domicile Eligibility** – identify US companies and exclude non-US companies that are not eligible
- **Investability** – identify companies that have sufficient liquidity based on trading volume, float shares, market cap and other relevant metrics
- **Seasoning** – for companies identified as Micro Cap, the company should have at least 20 trading days; for companies Small Cap or bigger, the company should have at least 5 trading days

Each quarter, CRSP indexes incorporate domicile eligible and investable new issues to best represent the US equity market.

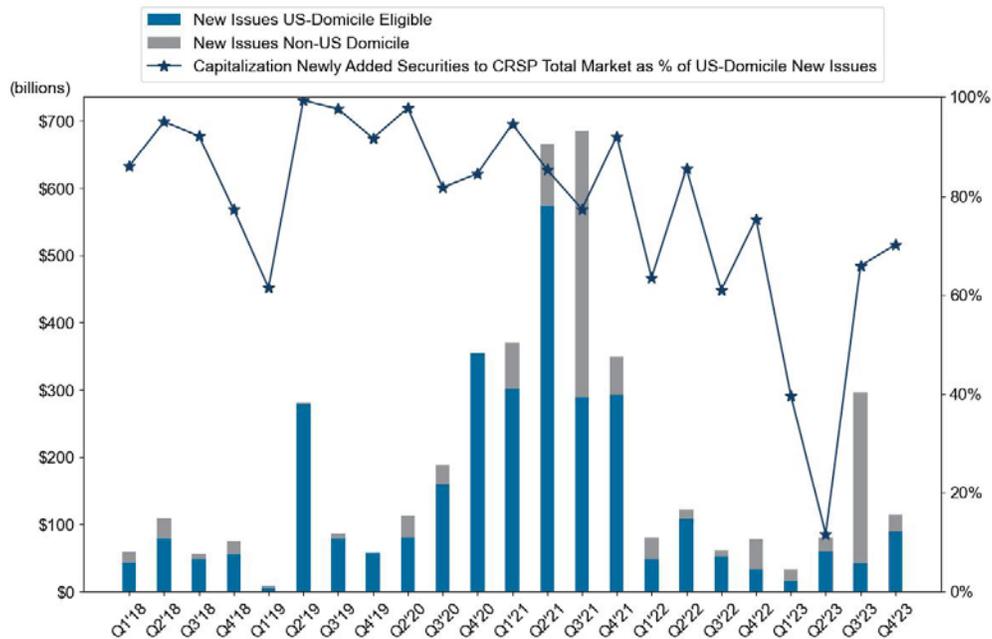
## Q4 2023 IPO REPORT SUMMARY

- The total capitalization of the new issues increased 47% relative to Q4'22, but 62% lower relative to Q3'23. Total capital raised through IPOs was still 74.7% lower in 2023 versus 2021, and 53.7% higher than 2022.
- While the total capitalization of the new issues in Q4'23 declined, the number of new issues increased in Q4'23 relative to Q3'23, beginning to match the numbers seen in late 2020 and early 2021
- De-SPAC transactions continued to significantly contribute to the new issues in Q4'23, with the total capitalization of De-SPACs exceeding IPOs by 247%

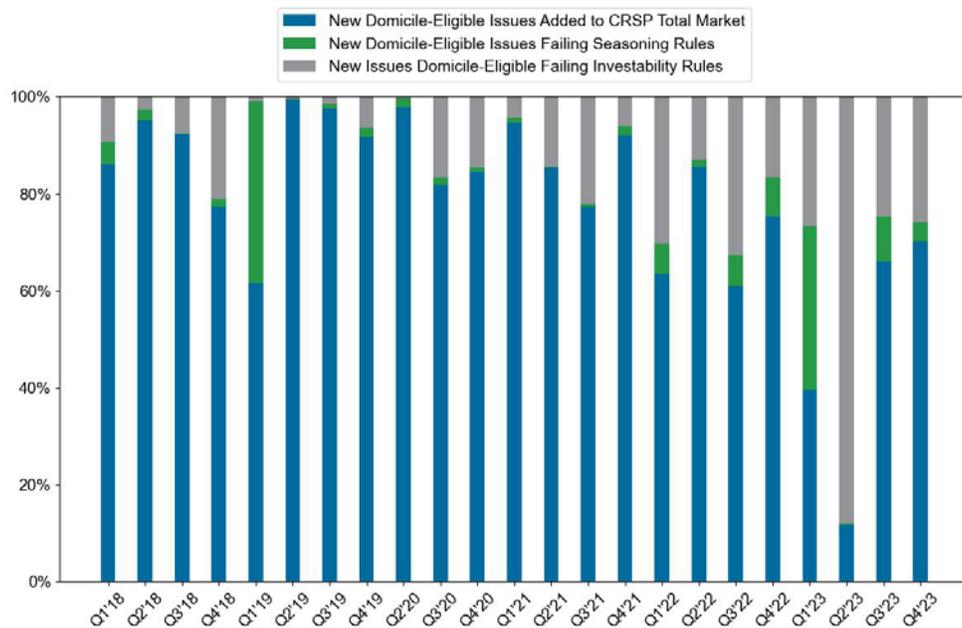
## IPO ADDITIONS TO CRSP US TOTAL MARKET

Q4'23 saw the amount of capital raised reverse back to pre Q3'23 levels. Among the US-Domicile Eligible new issues, 30% of the new issues in Q4'23 were not seasoned, i.e. were listed for less than 20 days, or failed investability rules, i.e. insufficient liquidity based on trading volume, float shares, market cap and other relevant metrics, as of the ranking date. 70% were eligible to be added in CRSP Total Market Index.

### Quarterly Capitalization of New Issues vs. US-Domicile Eligible Securities



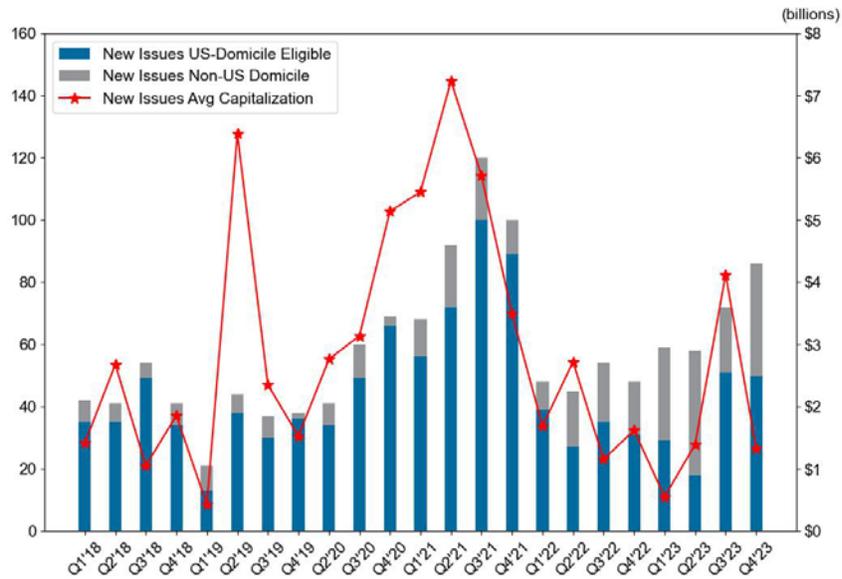
### Quarterly Breakout of US-Domicile Eligible Securities as % of Capitalization



Note: Data as of 12/29/2023; Quarterly capitalization of securities and counts are taken at each new [ranking date](#)

Furthermore Q4'23 saw a reverse back in the average capitalization to \$1,324 million from \$4,121 million in Q3'23. This is comparable with the average cap of \$1,617 million in Q4'22,

### Quarterly Number of New Issues vs. US-Domicile Eligible Securities

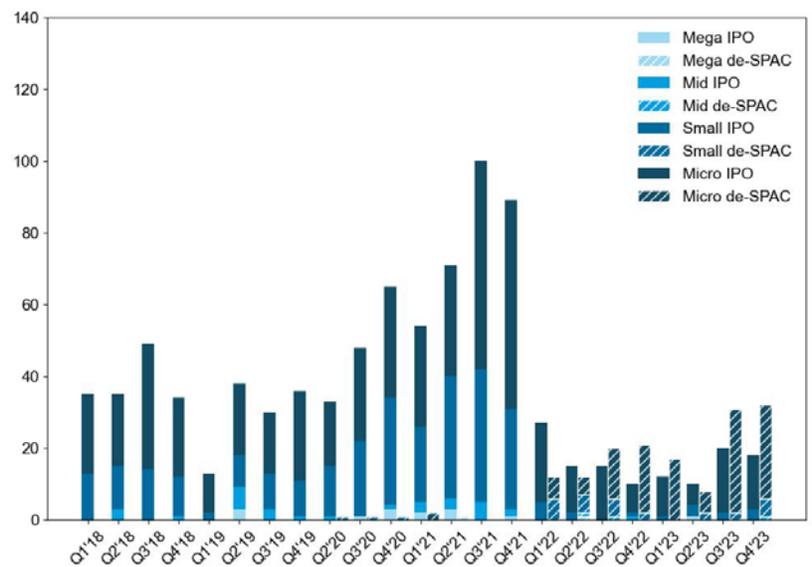


Note: Data as of 12/29/2023; Quarterly capitalization of securities and counts are taken at each new [ranking date](#)

### IPO CAP SIZE TRENDS

The number of de-SPAC transactions in Q4'23 remain similar with Q3'23, de-SPAC transactions continued to play an important role in raising capital for companies in Q4'23.

### Number of Issues (IPOs and De-SPAC transactions)



Note: Data as of 12/29/2023; Quarterly capitalization of securities and counts are taken at each new [ranking date](#)

### **Citing CRSP**

Any dissemination (including by electronic means or in any other form) of the graphs or information herein shall include an attribution to CRSP as follows. "This data and information is based on data from the Center for Research in Security Prices, LLC (CRSP), ©YYYY." YYYY being the year the database was published.

### **Disclaimers**

By accessing this report, you are indicating that you have read, and consent to be bound by these terms. The report is provided for informational, noncommercial purposes only, and may not be used as a basis for any financial instruments or products (including, without limitation, passively managed funds and index-linked derivative securities), or used to verify or correct data in any other compilation of data or index, or used to create any other data or index, without the prior written consent of CRSP®.

CRSP, its affiliates, its parent company, and its third party suppliers do not make any representations or guarantees regarding the accuracy of the data or information. Although the contents have been obtained from sources believed to be reliable, they are provided to your institution on an "as is" basis without warranties of any kind. With respect to this service and the contents, and to the fullest extent permitted by applicable law, CRSP, its affiliates, its parent company, and its third party suppliers hereby disclaim all express, implied and statutory warranties of any kind to the Subscriber or any third party, including, but not limited to, representations and warranties regarding accuracy, completeness, correctness, merchantability, or fitness for any particular purpose, or any representations or warranties arising from usage or custom or trade or by operation of law. CRSP, its affiliates, its parent company, and its third party suppliers, assume no responsibility for the consequences of any errors or omissions. In no event shall CRSP, its affiliates, its parent company, or its third party suppliers be liable to the Subscriber or to any third party for any loss or injury caused in whole or in part by contingencies beyond their control or negligence in procuring, compiling, or delivering any data or information. In no event shall CRSP, its affiliates, its parent company, or its third party suppliers be liable to the Subscriber or any third party for any claim arising out of or relating to CRSP-provided data or information, including, but not limited to, any decision made or action taken by your institution and any and all users affiliated with your institution based on the use of the data or information or for any types of damages (such as, but not limited to, direct, consequential, special, incidental, punitive or indirect damages), even if advised of the possibility of such damages.

All information is provided for informational purposes only. Every effort is made to ensure that all information given in this publication is accurate, but no responsibility or liability can be accepted by CRSP® nor its licensors for any errors or for any loss from use of this publication. Neither CRSP® nor any of its licensors make any claim, prediction, warranty or representation whatsoever, expressly or impliedly, either as to the results to be obtained from the use of the CRSP Indexes or the fitness or suitability of the Indexes for any particular purpose to which they might be put. The content is not an offer or recommendation to buy or sell, or a solicitation of an offer to buy or sell any security or instrument, or to participate in any particular trading strategy. Further, none of the content is intended to constitute investment advice or a recommendation to make (or refrain from making) any kind of investment decision and may not be relied on as such. The report is provided to you on an "as is" basis without warranties of any kind. CRSP® does not provide investment advice and nothing in this document should be taken as constituting financial or investment advice. CRSP® makes no representation regarding the advisability of investing in any asset. A decision to invest in any such asset should not be made in reliance on any information herein. Indexes cannot be invested in directly. Inclusion of an asset in an index is not a recommendation to buy, sell or hold that asset. The general information contained in this publication should not be acted upon without obtaining specific legal, tax, and investment advice from a licensed professional. No part of this information may be reproduced, stored in a retrieval system or transmitted in any form or by any means, electronic, mechanical, photocopying, recording or otherwise. Distribution of the CRSP® index values and the use of their indexes to create financial products require a license with CRSP® and/or its licensors.

CRSP uses various trademarks and trade names in the ordinary course of its business, including without limitation, CRSP's corporate name and logo. All other trademarks or trade names referred to in this paper are the property of their respective owners. Solely for convenience, the trademarks and trade names in this paper may be referred to without the ® and ™ symbols, but such references should not be construed as any indicator that their respective owners will not assert, to the fullest extent under applicable law, their rights thereto.

©2024 CRSP. All rights reserved.