



## NMX - Natural Monopoly Indices

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### About Infrastructure

- The launch of worldwide economic stimulus packages as a consequence from the world financial crisis will positively effect the demand for infrastructure facilities
- A study conducted by Booz Allen Hamilton forecasts total global infrastructure investment needs in amount of US\$41 trillion until 2030
- With the enormous growth of the developing countries, the investment needs for infrastructure facilities tend to be a predominant issue within the next decade
- Economic stimulus packages introduced in 2009 stimulate global infrastructure investments and the infrastructure industry

### Natural Monopoly

- A natural monopoly arises in markets where a single supplier can produce an industry output cheaper than a combination of several firms
- By definition a natural monopoly is in certain circumstances the most efficient form of production and can be found particularly within the infrastructure sector
- With high barriers of market entry, natural monopolies tend to be long-durable with steady and predictable cash flows.
- Natural Monopolies are comparatively resistant to market fluctuations and technological progress which translates into a comparatively low correlation to other asset classes
- Typically, natural monopolies are network facilities which tend to exhibit important economies of scale. Natural monopolies arise in the basic infrastructure industry
- Natural monopolies are for example: toll roads/bridges, airports, ports, pipeline networks (water, gas, oil) and communication networks etc.

### NMX Index Family

- The NMX index family is designed to represent the global infrastructure industry based on natural monopolies
- The index constituents are listed companies whose core business is the development and the provision of basic infrastructure facilities
- The index calculation methodology fulfils the prevailing industry standards. The design, development and delivery of the NMX indices ensure that they are investable, tradable and transparent
- The NMX index family enables investors to participate in the unique risk & return characteristics of the basic infrastructure industry