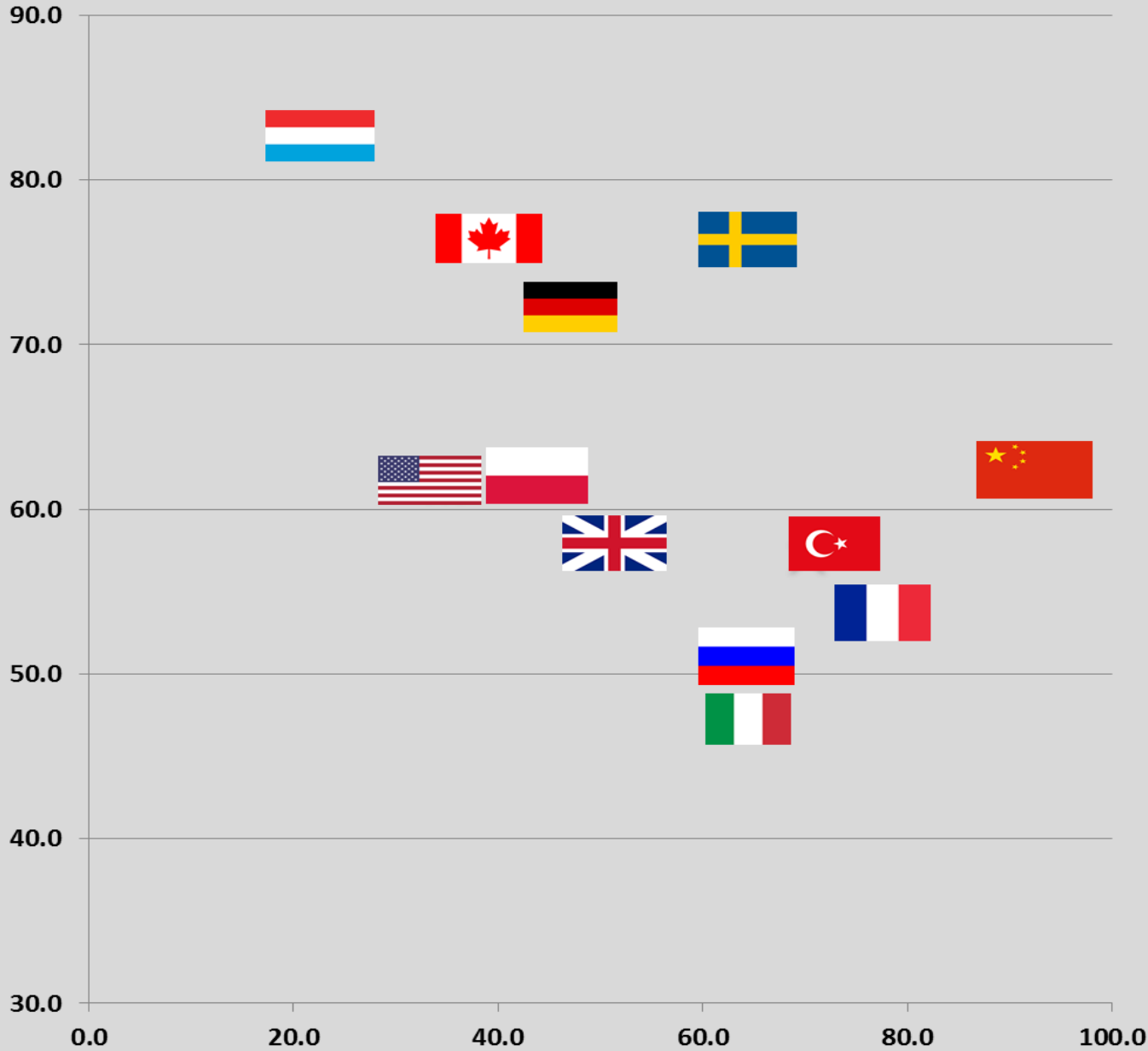


Perceived LT Economic Attractiveness (Euromoney ECR Survey as of Dec 5 2014)

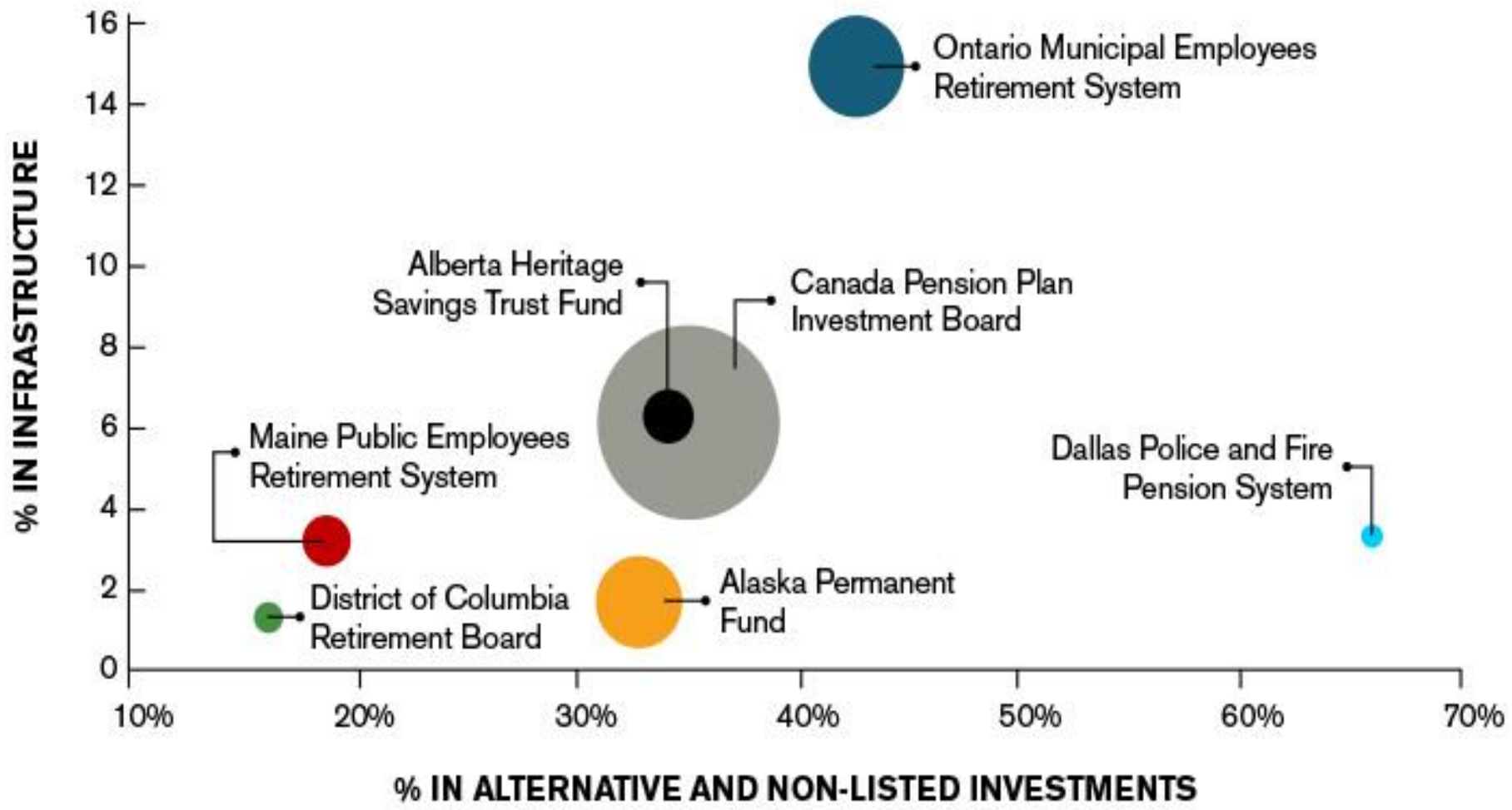


(Modified) Rail Transportation Infrastructure Index (M-RTI) (WPC data/ Dec 5 2014)

“AFFLUENT SOCIETY” : INFRASTRUCTURE INVESTMENT AS THE DYNAMIC ELEMENT SUSTAINING BALANCED GROWTH

- **“Affluent Society” (Eisenhower Era, JK Galbraith): massive infrastructure spending helped lift the working class out of poverty and shouldered unprecedented economic expansion**
- President Eisenhower told **lukewarm policy makers and business leaders*** *“Our unity as a nation is sustained by easy transportation of people and goods [...] The **cost of inadequate infrastructure is not borne by the individual alone.** It pyramids into higher expense of doing the nation’s business.”*
- **1980 – 2008: *Short-termist economic doctrine favoring “consumer spending” and “supply-side” corp. profit.** → Govt.s focus on deregulation, privatization, free trade, short-term fiscal orthodoxy **to detriment of infrastructure assets** w/ few exceptions: China, Singapore , South Korea, Sweden
- → **“true social well-being began to diverge sharply from national income”** (Juliet Schor)
- **2014/2015: Lingering effects “Great Recession” + success of infrastructure-based “Chinese Model”**
→ soul searching and progressive emergence of **new “Washington Consensus”**
“Increased public infrastructure investment raises output in both the short and long term [...] The time is right for an infrastructure push” **IMF** World Economic Outlook, Q4 2014

Public Funds: Infrastructure versus Overall Alternative and Non-Listed Investments.



Source: Information based on 2012-2104 fund documents