



❄ The whole team wishes you a

Merry Christmas and a Happy New Year ❄

#### FINANCIAL MARKETS & ASSET MANAGEMENT

For our last Newsletter of the year, we shall begin by a quick review of financial markets.

As we write these lines, the long-awaited year-end rally is still to begin. Lack of confidence is high among investors as well as among company managers. While some blurry hopes of a resolution of the European debt crisis seem to appear on the horizon, there already is some talk and speculation about the exit of one or several countries out of the Euro-zone in 2012. An issue to be closely followed.

As world stock indices are still seriously in the red at the approach of the year-end holidays, NGI has been favouring a strategy of capital preservation for its customers all this year round, by opting for a very careful and opportunistic stance. Despite the bad overall conditions, total assets under management have increased in 2011, in particular thanks to the applied synergy between its real estate activity and the portfolio management.

In 2012, we shall continue to remain very conservative as we anticipate a difficult first part of the year. Indeed, the Euro-zone debt crisis is not going to be resolved overnight and markets are waiting for stronger signals than what we have seen up to now. In our opinion, the consequences of this crisis are still much underestimated, in particular in terms of commercial loans, mortgages, capital movements, domestic and international commerce, social unrest and, in fine, growth. Nevertheless, due to the huge quantities of liquidities waiting on the sidelines to be invested, we could see some risk appetite coming in on what would be considered as good news. Markets could even soar in the case of an anticipation of a bottom in the secular downtrend initiated back in 2000. NGI will be ready to take advantage of it.

#### REAL ESTATE AND PROPERTIES

We were invited early December at the SIMI in Paris, an exhibition bringing together major international real estate companies. Despite a pretty good 2011 year, the atmosphere was morose and quite pessimistic about the future. Most of these professionals are heavy users of leverage and they are already anticipating a decline in loan availability as well as a hardening of conditions. Thus, Switzerland is increasingly regarded as an interesting alternative solution to secure capital waiting for better days.

This reinforces our opinion that we could see in 2012 a decrease of the institutional activity and an increase of private investors demands who in turn, tend to use more equity than institutionals do. In consequence, the interest for Swiss real estate could continue to be sustained however to the detriment of some professionalism. This should boost the role of brokers such as NGI. In conclusion, we are relatively optimistic even if we will have to be more inventive.

This year, NGI's real estate activity has been very profitable. 2010 was the year of revitalization, 2011 will remain as a performing period with some interesting successes and we are confident that 2012 will be the time of up-scaling and development.

Indeed, this good perspective is becoming more precise as new selling mandates have been negotiated and are currently being signed. We are also awaiting the issuance of the building permits of the senior residence (IEPA) we are developing for a public foundation of the State of Geneva.

NGI looks forward to keeping you informed of its 2012 real estate activity. In the meantime, the whole team wishes you a Merry Christmas and a Happy New Year.