



During the Summer, our Administrative Department has been working on the optimization of our existent and new customers' tax situation. These tasks have particularly solicited our expertise in "lump sum taxation" and consolidated patrimonial analysis.

## FINANCIAL MARKETS & ASSET MANAGEMENT

We resume our Newsletter after a surprisingly strong rally in equities and commodities markets. Thin transaction volumes showed that the average investor was still defiant and did not participate in this upswing. Arguably, the summer rally we have witnessed was a matter of professional trading. Investors waited for a clearance sign on the political front; which we had last week when Germany eventually agreed to the ESM. Is this the beginning of a durable uptrend? We believe that if it isn't, we are not far away. Q4 2012 or Q1 2013 could be the start of a new secular uptrend, thus ending the secular downtrend initiated in 2000. Time to reshuffle portfolio allocations! Was June 2012 the "buy of a generation"? Technical indicators tend to show us that it was. Is it too late to get in the train? We could see some kind of correction soon. Be ready for it.

## REAL ESTATE ACTIVITY

Recently, our Real Estate Department has been active in Florida. It appears that after several years of crisis there are real signs of recovery:

- strong increase in year on year building permits requests (2011 vs 2012);
- sold units and sales prices for deals below USD 1 Mio. increase (listing periods for over USD 1 Mio. deals are still important);
- our Miami investments have performed 10% +...

In Geneva and in major cities of the Lake Geneva area, vendors' target prices are far from purchasers' capacities or budgets. This applies as much to individuals as to investors. In fact, many owners are abused by outdated quoted prices. Buyers are facing more difficult borrowing conditions (new legal regulations for using LPP-Pension funds, more equity required, etc.). In addition, banks tend to estimate properties below real negotiated prices, to protect themselves from a market they deem as overheating.

Since our last newsletter we added new mandates:

- a rare property in the Carouge Old Town;
- beautiful homes on or near Lake Geneva shores;
- several luxury houses in Monaco and the South of France;
- exceptional properties in Valais;
- well located hotels in the heart of Geneva;
- a large fully rented new building, close to the Geneva International Airport...

*We invite you to review our previous editions on our website [www.naef-international.com](http://www.naef-international.com)*