THE NEW YORK FAMILY OFFICE

Your Contact in the U.S.

Newsletter: 4th Quarter 2012

Fiscal Cliff Avoided & Positive Signs of Recovery Ahead

The 4th quarter of 2012 was politically eventful: First there were the much anticipated presidential and congressional elections, followed by negotiations regarding the fiscal cliff.

The results of the November 6, 2012 presidential and congressional elections continued the deep division between the Republican and Democratic parties and neither side has a majority and must engage with the other party to make decisions. Essentially, the election left unchanged the deadlock between those who favor more spending cuts, no tax increases, and less regulation and those who believe that there is a large role for government in leading the economy to a recovery. While the result of the elections removed some uncertainties regarding the economy such as doubts over the repeal of health care and financial reform, it became clear that bipartisanship was needed to tackle the fiscal problems and resolve the dooming fiscal cliff which could have occurred at year end.

The so called fiscal cliff is a combination of expiring Bush tax cuts and across-the-board government spending cuts scheduled to have become effective after the end of the year if the two parties could not find a compromise. This would have had a negative impact on the still weak economy and the major concern was another impending recession. However, on a positive note, it was predicted that going over the fiscal cliff would have significantly reduced the federal budget deficit.

In a last minute deal on January 1, 2013, Congress agreed to avoid the fiscal cliff by finding a tax compromise (see article under "Taxes"), but deferred the $110 billion in spending cuts to the end of February. By that time the U.S. debt ceiling limit may be again maxed out and may need to be increased. In addition, the cliff deal did nothing to address entitlement spending such as Medicare and the pension and disability program. Entitlements present the largest cost pressures and have a major impact on long-term U.S. debt. Without a politically difficult entitlement reform many observers doubt that the debt-to-GDP ratio can be sustainably lowered. While it is positive that the bipartisan compromise addressed the revenue problem and made those changes permanent, it only lessens, but does not remove uncertainty related to fiscal consolidation. The lack of clarity on spending cuts could result in a persistence of underinvestment by firms, particularly those depending on negotiated political outcomes such as defense and health care industries, and others dependent on procurement contracts.

Brinkmanship on fiscal spending at the end of February will likely be high and may turn into a déjà-vu of August 2011, when a lift of the debt ceiling was used as the bargaining tool that ultimately created the fiscal cliff. The Republican base made deep concessions with the cliff deal but that has stiffened resolve to extract broader spending cuts as part of a debt ceiling agreement.

Looking back at 2012 the U.S. economy has been growing relatively slowly, braced for both domestic and global headwinds. Uncertainties over taxes and regulatory rules have been a factor in slow business investments and disappointing hiring throughout 2012. The single biggest obstacle in generating a better performance is the relatively weak level of demand. Consumer confidence has picked up a bit but remains well below the level normally associated with an economy

several years after the end of a recession. A major concern with generating more confidence and demand is the low level of job growth and even softer pace of income growth.

There is little doubt that the path is being paved for faster growth. The housing market is in recovery, credit growth is rising and the Fed continues to be supportive. However, until the outcome of the next round of fiscal cliff negotiations is resolved, which will no doubt involve some austerity, it is difficult to forecast with great accuracy the outlook for 2013. At present, the U.S. is estimated to have slow growth of 1.5-2% and an inflation rate of 2%. Optimists see a potential for more than 2% growth in the second half of the year but for that to happen, wage growth has to pick up, giving much needed impetus for consumption. Additionally, economic challenges from elsewhere in the world, including Europe will likely have a significant impact on these estimates.

Co-Investments of Family Offices from Austria, Germany, and Switzerland with U.S. Single Family Offices

The European debt and financial crisis caused many high net worth individuals and family offices in Austria, Germany, and Switzerland to allocate a higher percentage of their fortunes into real assets. Even traditionally conservative investors have started to reconsider their investment strategies since preserving assets after inflation has become increasingly challenging due to the ongoing low interest rate environment. In general, investors are increasingly turning to investments that are easy to understand and are re-discovering traditional investments in real assets such as real estate and private equity. However, these investments are made to a lesser extent through institutional private equity and hedge funds that were popular before the financial crisis ("disintermediation"). As an alternative many European investors are exploring other paths and increasingly decide to make a) individual investments or b) co-investments with other family offices.

a) Individual Investments

High net worth individuals and family offices with the corresponding experience and relevant expertise invest directly in real estate and private equity. Larger fortunes are necessary for these kinds of investments to avoid "putting all eggs in one basket" (concentration of risk).

b) Co-Investments With Other Family Offices

Many investors with a prior focus on liquid assets (stocks, bonds, and funds) recognize quickly that they need a very different skill set for direct investments in illiquid assets. Simultaneously, they are not seeking investments where sponsors make money regardless of how the investments perform. Ideally investors want to participate in the same way as the sponsors by sharing the same level of risks and successes in the investments. One solution is to form alliances and co-invest with other family offices. Thereby, investors can find external know-how and reduce their concentration of risk.

Foreign direct investments are generally more complex than domestic investments and require additional competencies. Only very affluent families have the means to build their own platform with internal know-how for direct investments in a foreign country. A possible alternative is to co-invest with foreign family offices. However, based on experience only few family offices

in Austria, Germany, and Switzerland have existing contacts to foreign family offices with whom they could make joint investments. As a result, they typically invest in club deals with selected real estate private equity firms or other non-real estate private equity firms, where sponsors bring in 0-10% of the capital and participate in the success of the investments.

Access to Co-Investments with U.S. Single Family Offices

The New York Family Office is a multi-family office specialized in providing qualified professional services to assist German-speaking families and family offices with their direct investments in North America. It serves its clients as an extended arm and interdisciplinary platform for all activities in Canada and the U.S.

Due to the strong interest among German-speaking families and family offices in co-investing with U.S. single family offices, we have established contacts and offer our clients access to such investment opportunities. These entrepreneurial investments are "at eye level" with an aligned interest and motivation structure. In these co-investments U.S. families contribute 40-70% of the capital and German-speaking families bring in the remainder. The New York Family Office actively assists with these investments while building a professional and cultural bridge between the partners (see Appendixes 1 + 2). These kinds of direct investments

Appendix 1:
Base Case

Family Offices in Austria, Germany, and Switzerland	U.S. Single Family Offices
Have:	**Have:**
Lean team tailored to the requirements of the patriarch and his family (SFO*) or of their clients (MFO*).	Lean team tailored to the requirements of the patriarch and his family.
Very good local contacts in Austria, Germany, and Switzerland and partially in the remainder of Europe.	Very good local contacts and often excellent network in the U.S.
Focus of the internal core competencies are often liquid assets (stocks, bonds, and funds).	Investment focus directed at U.S. family. Main focus of internal competencies is illiquid assets. Excellent track record.
Illiquid assets require different profile for the internal team.	Interesting deal pipeline (deal flow) that often requires quick decision making.
Seeking:	**Seeking:**
Direct investments on eye level where partners share the same level of risk and have a large intersection regarding the philosophy and time horizon of their investments.	Co-investors to diversify the U.S. SFOs* investments and reduce their concentration of risk.
Real assets in the U.S. Access to interesting deal flow (deal pipeline) for direct investments through lean and independent partner at site.	Co-investors who understand their culture and require no changes of the internal structure of the U.S. SFO*. Focus on investments and not on investor relations.

* Single Family Office (SFO), Multi-Family Office (MFO)

(real estate and private equity), with both sides making substantial capital contributions, are an interesting supplement to the predominant club deals with private equity firms. If you have further questions regarding this topic please do not hesitate to contact us.

Game Changer for U.S. Dependence on Oil & Gas Imports

In November, the chief economist of the Paris-based International Energy Agency (IEA), Fatih Birol, was interviewed at Bloomberg regarding the IEA's world energy outlook for 2012. According to IEA's expectations, around 2015 the U.S. will be the clear leader of natural gas production surpassing Russia and in 2017 it will become the largest oil producer of the world overtaking Saudi Arabia. At the same time U.S. oil import needs will decrease approximately 60% from today's imports of about 10 million barrels per day to about four million barrels per day in 10 years.

This major drop in U.S. oil imports will not only be a result of oil production growth in the U.S. due to horizontal drilling and hydraulic fracturing (fracking) of shale formations but also will develop from efforts during the Obama administration's first term to improve fuel efficiency standards of cars. Therefore, declining U.S. imports will be a combination of growth in production and a decline in consumption. However, the IEA

Appendix 2:

Function of The New York Family Office (TNYFO)

Family Offices in Austria, Germany, and Switzerland	TNYFO	U.S. SFO*
Need an independent advisor and manager who actively assists them at site. *Seeking a person of trust to take care of their investments at site and to create additional transparency and control.*	Central point of contact bridging different worlds. *Familiarity with language, culture and professional differences. Alignment of interest through transparent compensation structure.*	No intention to turn into a MFO* and build the infrastructure for several co-investors. *No experience in dealing with foreign investors.* *No familiarity with the culture and the professional requirements and specifics.*
Fast decision making requires from investors upfront considerations and planning.	*Communication and active assistance with decision-making processes.* *Negotiations and structuring. Create basis for decision making.*	Seeking reliable and committed business partner who knows exactly what he wants and is able to make quick decisions.

* Single Family Office (SFO), Multi-Family Office (MFO)

expects oil prices to stay at around $100 per barrel unless there is a recession or some other economic shock because prices are set on the global market, U.S. oil is expensive to extract and many other oil producing countries will need oil prices of about $80-90 per barrel to balance their budgets.

Michigan Became the 24th "Right-to-Work" State

In December 2012, Michigan was the latest state to pass a "right-to-work" law in the U.S. „Right-to-work" laws do not, as the name might suggest, aim to provide a general guarantee of employment to people seeking work, but rather secure the right of employees to decide for themselves whether or not to join or financially support a union. These rules are part of a state constitution or state law regulating contractual agreements between employers and labor unions. The laws prevent union security agreements, arrangements between labor unions and employers that govern the extent to which an established union can require employees to join and pay union dues and fees in order to get or keep a job. According to the U.S. Labor Department there are currently 24 "right-to-work" states* with 12 located in the South.

Some observers view Michigan's "right-to-work" law as a major symbolic setback for labor unions since the state gave birth to the powerful United Auto Workers (UAW) union which claims credit for the rise of the blue-collar middle class in America after WWII and has long influenced the policies of Detroit's Big Three carmakers, General Motors, Ford and Chrysler. According to Bloomberg the UAW membership rose to approx. 380,000 in 2012 after the U.S. automakers added jobs, but its total membership is still only about one-fourth its size, which peaked at 1.5 million members, in 1979.

The impact of jobs and economic growth from "right-to-work" laws is fiercely debated since there is no exact data that can quantify the results of "right-to-work" as a single policy. Most right-to-work laws were passed decades ago across southern states to lure factory jobs from the heavily unionized North. In conjunction with other business-friendly policies those laws were highly successful but direct comparisons are biased since the northern and southern states have different demographics and industries.

Opponents argue that "right-to-work" laws restrict freedom of association. To them "right-to-work" is a misnomer because the lack of such a law does not deprive anyone of the right to work. It is viewed as a political slogan that gives employees the right to be free riders – to benefit from collective bargaining without paying for it. By prohibiting workers and employers from agreeing to contracts that include "fair share fees", dues paid by non-members, union members may end up subsidizing non-union members. The laws create a race to the bottom by weakening unions, leading to lower wages and worse safety and health conditions for workers. For these reasons, unions refer to right-to-work states as „right to work for less" states or „right-to-fire" states.

Proponents of "right-to-work" laws point to the Constitutional right of freedom of association, as well as the common-law principle of private ownership of property. They argue that workers should be free to join unions and to refrain, and thus sometimes refer to "non-right-to-work" states as "forced unionism" states. In their view it is unfair that unions can require new and

existing employees to either join the union or pay "fair share fees" for collective bargaining expenses as a condition of employment under union security agreement contracts. Even though it is difficult to isolate the effects of "right-to-work" laws, the proponents argue that it is the combination of pro-business packages offered by "right-to-work" states that matters.

**The following states are right-to-work states: Alabama, Arizona, Arkansas, Florida, Georgia, Idaho, Indiana, Iowa, Kansas, Louisiana, Michigan, Mississippi, Nebraska, Nevada, North Carolina, North Dakota, Oklahoma, South Carolina, South Dakota, Tennessee, Texas, Utah, Virginia, and Wyoming.*

Hudson Yards: Ground-Breaking for 26-Acre Development Project in NYC

Most people view the island of Manhattan as a skyscraper packed locale with little room for new development. The aforementioned is mainly true. However, work has now started, after being stalled by the economic downturn due to the financial crisis, on the largest development for decades.

On December 4, 2012 the ground-breaking ceremony of the 26-acres (10.5 hectares) Hudson Yards development project was held. This event marked the beginning of a transformation of a part of Manhattan's West side that is home to manufactures, auto body shops, parking facilities and vacant lots. This neighborhood is characterized by open rail yards and the Lincoln Tunnel entrances. The first office tower, a 47-story office building at the northeast corner of West 30th Street and 10th Avenue with 1.7 million square feet (158,000 square meters), is scheduled to be finished by 2015.

Hudson Yards is the 48-block area bounded by 43rd Street, 8th Avenue, 30th Street and the West Side Highway. New York City, New York State and the Metropolitan Transit Authority (MTA) have been working together for years to get the project started. The project will be an extension of Manhattan's Midtown Central Business District (CBD) and includes office space, housing, a riverfront park and a cultural center. After completion, which is currently estimated to be in 12 years, the site will eventually have more than 13 million square feet (1.2 million square meters) of development and provide offices and work space for more than 40,000 people. In addition, it will have approximately 5,000 apartments, a new public school, an arts and culture facility and a four-acre (1.6 hectares) park. Part of the project involves the expansion of the Jacob Javits Center into an adequate facility for New York's convention market. Hudson Yards is envisioned as a city within the City and a new icon of Manhattan, north of the Highline, just a few blocks from Pennsylvania Station and Madison Square Garden and about half a mile from the Empire State Building.

Tax Implications of the Deal to Avoid the Fiscal Cliff

On January 1, 2013 Congress passed the American Taxpayer Relief Act of 2012, which has been signed into law by President Obama. The Act includes a bipartisan tax compromise to avoid the fiscal cliff by permanently* extending a majority of the Bush tax cuts for individuals below certain income thresholds. The following is a brief summary of the most important rules regarding income taxes and estate and gift taxes:

Income Taxes

- The income tax rate for individuals earning more than $400,000 (and couples earning more than $450,000) will rise from 35% to 39.6%. Tax rates for incomes below this threshold will remain unchanged at 35%.

- The long-term capital gains tax rates for individuals earning more than $400,000 (and couples earning more than $450,000) will rise from 15% to 20%. Prior rates of 0% and 15% will remain in effect for incomes below this threshold. Qualified dividends continue to be treated as long-term capital gains for this purpose and are taxable with the reduced rates.

Estate and Gift Taxes

- The estate and gift tax, as well as the generation-skipping transfer (GST) tax exemptions have been set at $5 million indexed for inflation.

- For gross estates and gifts that exceed the above exemption amounts the tax rate will rise from 35% to 40%.

- The portability provision, which enables surviving spouses to utilize any unused portion of their deceased spouse's exemption for their own estates and gifts, has been made permanent.

** Note: The American Taxpayer Relief Act of 2012 describes many of these changes as permanent. However, the term "permanent" can be misleading. In this context it simply means that the provisions are not scheduled to expire automatically like the Bush tax cuts but the provisions can be changed by future legislation.*

Important Federal Tax Due Dates 2013

Unlike countries like Germany, where the tax authorities assess income tax returns and prepare a formal tax assessment statement, the key principle in the U.S. is self-assessment of taxes by taxpayers. Similar to the determination of the Value Added Tax (VAT) in Germany, all U.S. individual and corporate taxpayers have to evaluate their tax bases and calculate their taxes due. In order to protect U.S. tax revenue, there are strict due dates for filing tax returns and taxpayers experience tight control mechanisms with various interests and penalties. Please note that an extension of time for filing tax returns does not extend the time to pay taxes due.

Hereinafter we present the most important due dates for Federal taxes:

- Tax Returns for Taxpayers Subject to Unlimited Tax Liability (Appendix 3)

- Information Returns & Reporting for Taxpayers Subject to Unlimited Tax Liability (Appendix 4)

- Tax Returns for Taxpayers Subject to Limited Tax Liability (Appendix 5)

- Estimated Taxes (Appendix 6)

- Witholding Forms (Appendix 7)

- Additional Information Returns (Appendix 8)

Appendix 3:

Tax Returns for U.S. Citizens and Residents incl. their Estates, for U.S. Partnerships, and for U.S. Corporations (Taxpayers Subject to Unlimited Tax Liability)

Form	Explanation	Due Date	Extension
U.S. Citizens and Residents			
1040	U.S. Individual Income Tax Return	April 15, 2013	October 15, 2013 (6 Months, Form 4868)
Estates			
706	Estate Tax Return for U.S. Citizens or Residents	9 Months after the Date of the Decedent's Death	Automatic 6 Month Extension (Form 4768) *(Additional Extension of Time to File after Filing Form 4768 Only if the Executor is Out of the Country)*
1041	U.S. Income Tax Return for Estates and Trusts	April 15, 2013	September 16, 2013 (5 Months, Form 7004)
U.S. Partnerships			
1065	U.S. Return of Partnership Income for Partnerships that Keep their Books and Records in the U.S.	April 15, 2013	September 16, 2013 (5 Months, Form 7004)
1065	U.S. Return of Partnership Income for Partnerships that Keep their Books and Records Outside the U.S.	June 17, 2013 (No Form 7004 for this 2 Month Extension)	September 16, 2013 (3 Months, Form 7004)
U.S. Corporations			
1120	U.S. Corporation Income Tax Return	March 15, 2013	September 16, 2013 (6 Months, Form 7004)

Appendix 4:

Information Returns & Reporting for U.S. Citizens and Residents including their Estates, and for U.S. Corporations (Taxpayers Subject to Unlimited Tax Liability)

Form	Explanation	Due Date	Extension
3520	Annual Return To Report Transactions With Foreign Trusts and Receipt of Certain Foreign Gifts	Due Date of the Person's Income Tax Return or Estate Tax Return	Due Date of the Extension of the Person's Income Tax Return or Estate Tax Return
5471	Information Return of U.S. Persons With Respect to Certain Foreign Corporations	Due Date of the Person's Income Tax Return	Due Date of the Extension of the Person's Income Tax Return
5472	Information Return of a 25% Foreign-Owned U.S. Corporation or a Foreign Corporation Engaged in a U.S. Trade or Business	Due Date of the Reporting Corporation's Income Tax Return	Due Date of the Extension of the Reporting Corporation's Income Tax Return
8621	Return by a Shareholder of a Passive Foreign Investment Company (PFIC) or Qualified Electing Fund (QEF)	Due Date of the Shareholder's Income Tax Return	Due Date of the Extension of the Shareholder's Income Tax Return
8865	Return of U.S. Persons With Respect to Certain Foreign Partnerships	Due Date of the Person's Income Tax Return	Due Date of the Extension of the Person's Income Tax Return
8938	FATCA Foreign Financial Assets Reporting (Statement of Specified Foreign Financial Assets)	Due Date of the Person's Income Tax Return	Due Date of the Extension of the Person's Income Tax Return
TD F 90.22-1	Foreign Bank Account Reporting (FBAR) (Report of Foreign Bank and Financial Accounts)	June 30, 2013	N/A

Appendix 5:

Tax Returns for Non-Residents Not a U.S. Citizen incl. their Estates, for Foreign Partnerships, and for Foreign Corporations (Taxpayers Subject to Limited Tax Liability)

Form	Explanation	Due Date	Extension
Non-Residents Not a U.S. Citizen			
1040NR	U.S. Nonresident Alien Income Tax Return for Employees that Received Wages Subject to U.S. Income Tax Withholding	April 15, 2013	October 15, 2013 (6 Months, Form 4868)
1040NR	U.S. Nonresident Alien Income Tax Return for Employees that Did Not Receive Wages Subject to U.S. Income Tax Withholding	June 17, 2013	December 16, 2013 (6 Months, Form 4868)
Estates			
706-NA	Estate Tax Return for Non-Residents Not a U.S. Citizen	9 Months after the Date of the Decedent's Death	Automatic 6 Month Extension (Form 4768) *(Additional Extension of Time to File after Filing Form 4768 Only if the Executor is Out of the Country)*
1041	U.S. Income Tax Return for Estates and Trusts	April 15, 2013	September 16, 2013 (5 Months, Form 7004)
Foreign Partnerships			
1065	U.S. Return of Partnership Income for Partnerships that Keep their Books and Records in the U.S.	April 15, 2013	September 16, 2013 (5 Months, Form 7004)
1065	U.S. Return of Partnership Income for Partnerships that Keep their Books and Records Outside the U.S.	June 17, 2013 (No Form 7004 for this 2 Month Extension)	September 16, 2013 (3 Months, Form 7004)
Foreign Corporations			
1120-F	U.S. Income Tax Return of a Foreign Corporation with an Office or Place of Business in the U.S.	March 15, 2013	September 16, 2013 (6 Months, Form 7004)
1120-F	U.S. Income Tax Return of a Foreign Corporation with No Office or Place of Business in the U.S.	June 17, 2013	December 16, 2013 (6 Months, Form 7004)

Appendix 6:
Estimated Taxes

Form	Explanation	Due Date
U.S. Citizens and Residents		
1040-ES	Estimated Tax for Individuals	April 15, 2013; June 17, 2013; September 16, 2013; January 15, 2014
Non-Residents Not a U.S. Citizen		
1040-ES (NR)	U.S. Estimated Tax for Nonresident Alien Individuals with Wages Subject to U.S. Income Tax Withholding	April 15, 2013; June 17, 2013; September 16, 2013; January 15, 2014
1040-ES (NR)	U.S. Estimated Tax for Nonresident Alien Individuals without Wages Subject to U.S. Income Tax Withholding	June 17, 2013; September 16, 2013; January 15, 2014
Corporations		
1120-W	Estimated Tax for Corporations	April 15, 2013; June 17, 2013; September 16, 2013; December 16, 2013

Appendix 7:
Withholding Forms

Form	Explanation	Due Date	Extension
1042	Annual Withholding Tax Return for U.S. Source Income of Foreign Persons	March 15, 2013	September 16, 2013 (6 Months, Form 7004)
8804	Annual Return for Partnership Withholding Tax (Sec. 1446 IRC)	See Form 1065	See Form 1065
8805	Foreign Partner's Information Statement of Sec. 1446 Withholding Tax	See Form 1065	See Form 1065
8288	FIRPTA-Withholding (U.S. Withholding Tax Return for Dispositions by Foreign Persons of U.S. Real Property Interests)	20th Day After the Date of Transfer	N/A

Appendix 8:
Additional Information Returns

Form	Explanation	Due Date	Extension
1099-DIV	Dividend Income	a) Copy for Recipient: January 31, 2013 b) Copy for Internal Revenue Service (IRS): February 28, 2013	a) Copy for Recipient: 30 Days but No Automatic Extension of Time (Letter to IRS) b) Copy for Internal Revenue Service (IRS): 30 Days (Form 8809); after Filing Form 8809 max. Additional 30 Days (Form 8809)
1099-INT	Interest Income		
1099-MISC	Miscellaneous Income: Payments of $600 or More for Services Performed for a Trade or Business by People Not Treated as Its Employees		
1099-S	Proceeds from Real Estate Transactions	a) Copy for Recipient: February 15, 2013 b) Copy for Internal Revenue Service (IRS): February 28, 2013	
1099-MISC	Miscellaneous Income: Gross Proceeds of $600 or More Paid to Attorneys		
1042-S	Foreign Person's U.S. Source Income Subject to Withholding	a) Copy for Recipient: March 15, 2013 b) Copy for Internal Revenue Service (IRS): March 15, 2013	

Economic Indicators & U.S. Dollar Foreign-Exchange Rates

Economic Indicators	November 2012	September 2012	November 2011	November 2009	November 2007
Employment	146,000	114,000	120,000	(11,000)	94,000
Unemployment Rate	7.7%	7.8%	8.6%	10.0%	4.7%
Avg. Weekly Hours (Manuf.)	40.6	40.6	40.3	40.4	41.3
Avg. Overtime Hours (Manuf.)	3.2	3.2	3.2	3.4	4.1
Building Permits	899,000	894,000	709,000	623,000	1,224,000
Housing Starts	861,000	872,000	708,000	588,000	1,197,000
Consumer Confidence Index	73.7	70.3	56.0	50.6	87.8
Purchasing Managers Index	49.5	51.5	52.2	54.3	50.5

Other Indicators	Nov. 30, 2012	Sept. 28, 2012	Nov. 30, 2011	Nov. 30, 2009	Nov. 30, 2007
S&P 500 Index	1,416.18	1,440.67	1,246.96	1,095.63	1,481.14
S&P 500 - Trading Volume (in thousands)	3,966,000	3,509,230	5,801,910	3,895,520	4,422,200
VIX (Volatility Index)	15.87	15.73	27.80	24.51	22.87

Real GDP	2012 Q3	2012 Q2	2011	2009	2007
Real GDP	3.1%	1.3%	1.7%	(3.5%)	1.9%

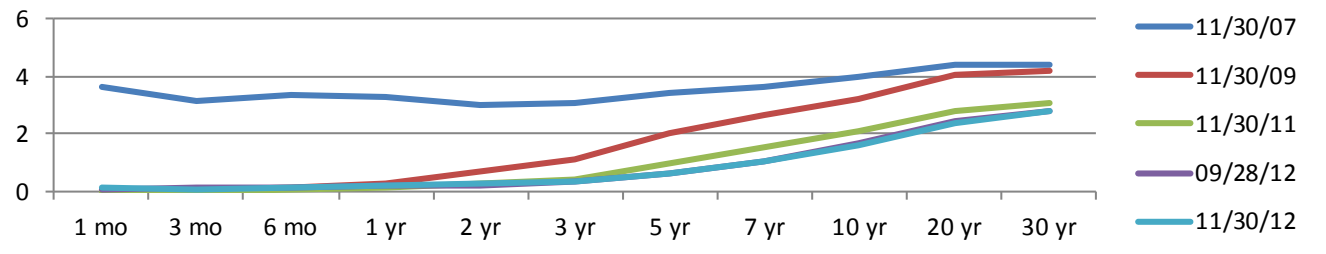
Inflation	November 2012	September 2012	2011	2009	2007
Inflation	1.8%	2.0%	3.2%	(0.4%)	2.8%

Currency Exchange Rates	Nov. 30, 2012	Sept. 30, 2012	Nov. 30, 2011	Nov. 30, 2009	Nov. 30, 2007
EUR / USD	1.2966	1.2855	1.3336	1.4987	1.4790
GBP / USD	1.6022	1.6164	1.5557	1.6504	2.0702
CHF / USD	1.0769	1.0638	1.0855	0.9942	0.8967
CAD / USD	1.0078	1.0164	0.9682	0.9416	1.0101
CNY / USD	0.1593	0.1579	0.1568	0.1463	0.1353
JPY / USD	0.0122	0.0128	0.0128	0.0115	0.0091

Note: Some Numbers May Be Updated Due to Revisions of Official Statistics.

Interest Rates, Real Estate & Taxes

Treasury Yield Curve (in %)



Base Rates	January 7, 2013	2 Weeks Ago	One Year Ago
30 Day LIBOR	0.21%	0.21%	0.30%
U.S. Treasury			
5 Year	0.80%	0.77%	0.87%
10 Year	1.90%	1.79%	2.00%

10-Year Fixed Rate Ranges by Asset Class	Max. LTV	Class A	Class B/C
Anchored Retail	70-75%	T + 250	T + 260
Strip Center	65-70%	T + 270	T + 280
Multi Family (Non-Agency)	70-75%	T + 210	T + 215
Multi Family (Agency)	75-80%	T + 190	T + 195
Distribution/Warehouse	65-70%	T + 250	T + 260
R&D/Flex/Industrial	65-70%	T + 265	T + 280
Office	65-75%	T + 225	T + 240
Full Service Hotel	55-65%	T + 300	T + 325

Note: T = Interest Rate for 10-Year U.S. Treasury (1.90%)
Source: Cushman & Wakefield (January 7, 2013)

Simplified Presentation of the Most Important U.S. Federal Tax Rates:	
Income Tax	10-35% / 10-39.6%*
Long-Term Capital Gains (LTCG)	15% / 20%*
"Qualified" Dividends	15% / 20%*
Corporate Tax	15-35%
Gift and Estate Tax	18-35% / 18-40%*

Note: * = As of January 1, 2013 higher tax rates apply for individuals earning more than $400,000 (and couples earning more than $450,000).

THE NEW YORK FAMILY OFFICE

Your Contact in the U.S.

For questions or scheduling meetings, please contact us.
We are looking forward to hearing from you.

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