

Mid-Cap Growth Opportunity

Mid-Caps at a Glance

- Consisted of those companies with market capitalizations in the \$765 million to \$20.5 billion range as of June 30, 2008¹, with the boundary range reset once per year. However, Atlantic Trust generally defines the range as \$1.5 billion to \$17 billion.
- Represent 24.5% of the U.S. market capitalization as of December 31, 2008²
- Over most historical time periods, have outperformed their large cap peers; In fact, on a 12-month rolling return basis, mid-caps have outperformed large caps over 70% of trailing 20-year periods³
- Have delivered favorable longer-term performance than large and small caps with approximately 15% less risk than small caps as measured by standard deviation⁴

Sources:

1 Merrill Lynch via Reuters Knowledge, as of 6/27/08

2 Citigroup via Reuters Knowledge

3, 4 Atlantic Trust, Zephyr Style Advisor and Russell Indexes; Performance period: 30 years through December 2008

Overview

As 2008 recently rolled off the books and investors cautiously look ahead to 2009 and 2010 for signs of economic stability and eventual market appreciation, mid-cap growth companies offer a particularly attractive segment of the U.S. equity market.

These companies can be generally characterized as having greater stability and lower valuations than their smaller peers, while offering greater growth prospects for a similar valuation level than larger peers. Today, their corporate balance sheets generally hold significant amounts of cash and valuations are low. As a result, when the turn in the market occurs, mid-cap companies that continue to experience growth will look very attractive relative to larger peers.

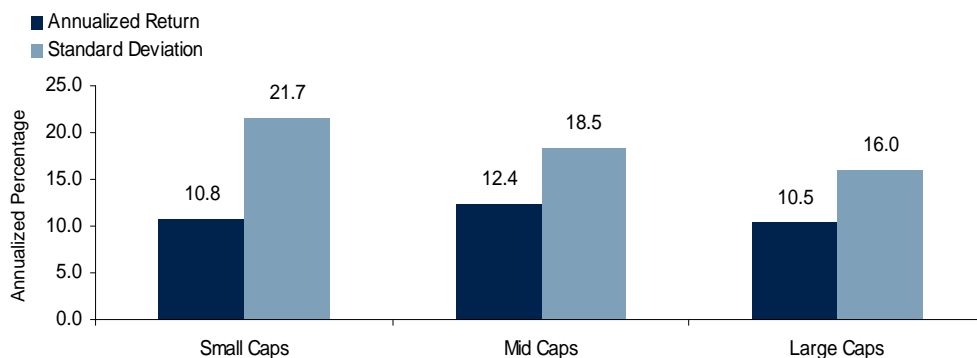
In the following pages, Atlantic Trust's investment experts explore the current mid-cap environment and outlook and discuss the benefits of the Atlantic Trust Mid-Cap Growth strategy.

Current Mid-Cap Environment and Outlook

Attractive Long-Term Performance

The mid-cap segment of the U.S. market has historically delivered attractive long-term performance results relative to larger and smaller peers. In fact, mid-cap securities have delivered outperformance relative to smaller cap stocks but with 15% less risk, or volatility. Both size segments historically have shown more attractive performance relative to large cap equities.

Long-Term Risk/Reward Comparisons



Source: Zephyr Style Advisor, Russell Indexes, Atlantic Trust; Russell 2000 Index is identified as small cap, Russell 800 Index is identified as mid cap, and Russell Top 200 Index is identified as large cap. Performance Period: 30 years through December 2008.

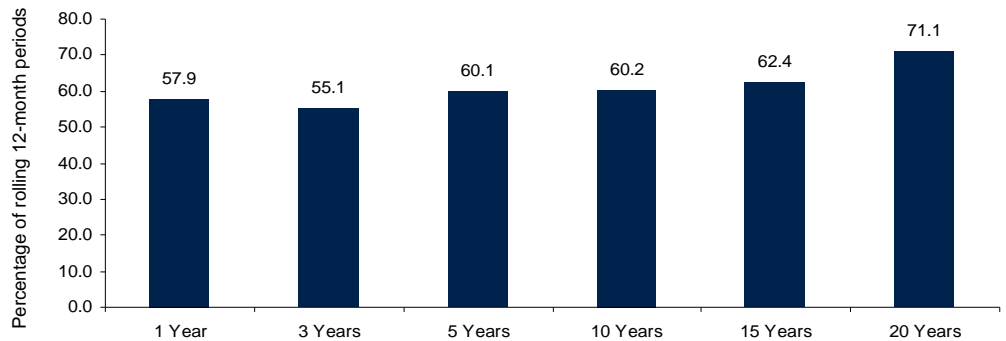
Commonly Known Mid-Caps Include:

- **Chattem** - producers of Icy Hot, Gold Bond and Selsun Blue
- **Heinz** - makers of Heinz Ketchup, Ore-Ida potatoes and Classico pasta sauce
- **Western Union** - global money transfer company
- **McAfee** - security software provider
- **AutoZone** - retail distributor of automobile parts and accessories
- **TJX** - off-price retail operator of T. J. Maxx, Marshalls, A.J. Wright and Home Goods
- **Weight Watchers** - supplier of weight management products and services
- **Marriott** - global operator of hotels and lodging facilities
- **NASDAQ OMX Group** - provider of security listing, trading, information products and services

Mid-Caps Outperform Large Caps

Over rolling return periods, mid-caps have delivered outsized returns relative to large cap stocks. For example, over rolling 12-month periods, mid-caps have outperformed larger capitalization companies 58% of the time. Expand that to rolling 20-year periods and, in over 70% of the rolling 12-month periods, mid-cap securities outperform their larger peers.

Mid-Cap Outperformance versus Large Cap



Source: Zephyr Style Advisor, Russell Indexes, and Atlantic Trust; Performance Period: 30 years through December 2008.

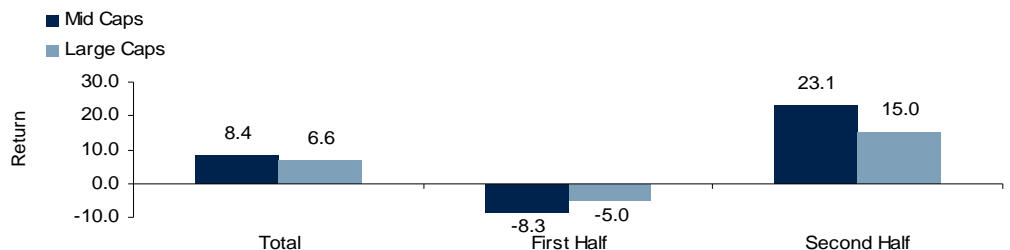
Mid-cap companies comprised 24.5%, or approximately \$1 out of every \$4, of the total U.S. equity market capitalization as of December 31, 2008¹. As demonstrated by the historically favorable risk/return statistics relative to their peers, this represents an area investors can ill afford to avoid.

High Performer Coming Out of Recessions

The economy officially entered the current recession in December of 2007, according to the National Bureau of Economic Research. While we can't predict the end of the current economic malaise, we can point to an important historical trend that highlights our position: larger companies tend to outperform at the beginning of a recession, as investors flock to what they perceive to be higher quality and more defensive business models. However, when coming out of a recession, mid-cap companies tend to outperform relative to larger peers, and growth companies tend to outperform value companies.

This trend continued in 2008 as mid-cap securities underperformed their larger peers. Considering that since 1900 the average economic contraction has lasted under 15 months in duration and expansion periods have averaged 45 months in duration, we believe the time of mid-cap outperformance is approaching².

Performance During Recessionary Periods



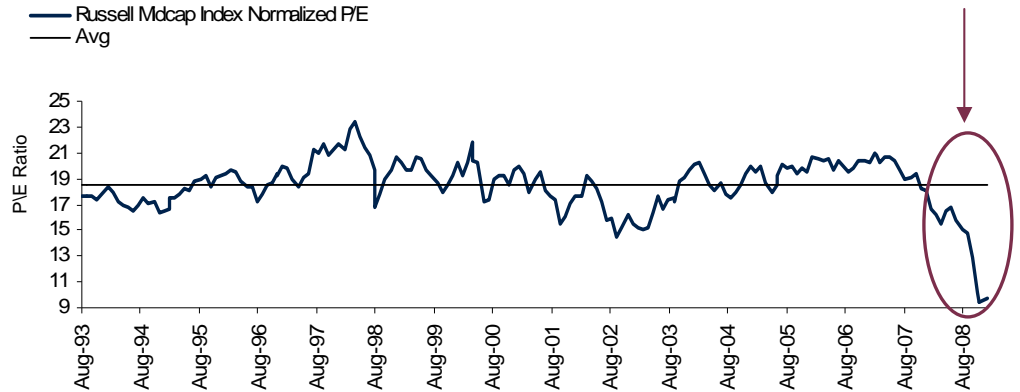
Source: Zephyr Style Advisor, Russell Indexes, and Atlantic Trust. Recessionary periods include: Jan 1980-July 1980, July 1981-Nov 1982, July 1990-March 1991, and Mar 2001-Nov 2001.

Sources:
 1 Citigroup via Reuters Knowledge
 2 National Bureau of Economic Research

Compelling Valuations

Valuations among mid-caps are currently at multi-decade lows, providing an attractive investment opportunity when market sentiment improves.

Current Valuations

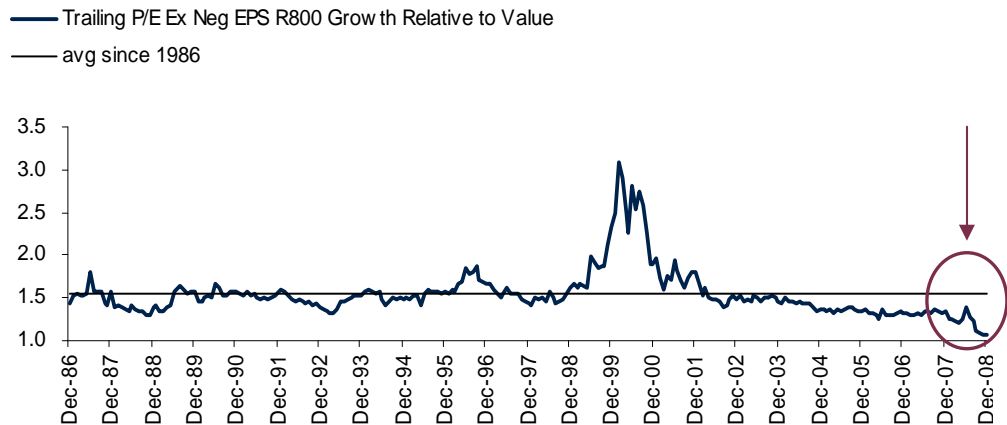


Source: Citigroup via Reuters Knowledge; as of December 31, 2008

A Rebound in Growth?

Likewise, growth stocks have historically held a premium valuation multiple compared to value stocks, but recently growth stocks have moved closer to parity with their value peers and to levels not seen in multiple decades. This sets the stage for a more pronounced rebound among growth-oriented companies when market sentiment improves.

Valuation Disparity: Growth versus Value



Source: Citigroup via Reuters Knowledge; as of December 31, 2008

Attractive Valuations

Because mid-cap growth earnings have held up better than mid-cap value companies, despite their share prices being cut to a larger degree, the P/E contraction among mid-cap growth securities has been clearly noticeable. The chart below takes a look at recent P/E levels relative to their 20-year historical average. Mid-cap growth valuations look the most attractive on a discounted valuation basis relative to other U.S. equity categories.

Discounts to Average Historical Valuations by U.S. Equity Category

	Value	Blend	Growth
Large	62.6%	54.8%	45.1%
Mid	71.2%	57.9%	38.9%
Small	78.5%	67.0%	51.2%

For example, mid-cap growth stocks are 61.1% cheaper than their historical average P/E of 29.4x

Source: Russell Investment Group, JPMorgan Asset Management via Reuters Knowledge; Data reflects P/Es as provided by Russell as of 11/30/08.

Atlantic Trust Mid-Cap Growth Strategy

As detailed on the previous pages, Atlantic Trust's investment experts believe mid-cap growth may be a good relative investment opportunity going forward, and our firm's Mid-Cap Growth proprietary strategy offers our clients beneficial historical performance, experienced professionals and privileged access.

Performance

The Atlantic Trust Mid-Cap Growth strategy has a long track record of favorable performance, providing favorable returns since its inception in July of 1992. During the strategy's 16 full calendar years in existence (1993 – 2008), it has demonstrated a consistent track record of outperformance relative to its benchmark, the Russell Mid-Cap Growth Index:

- In 75% of full calendar years, the strategy's returns exceeded those of the benchmark.
- In 50% of full calendar years, the strategy's returns exceeded 2% over the benchmark.
- In every calendar year where performance was negative for the benchmark, Atlantic Trust's Mid Cap Growth strategy has outperformed – including 2008.

Through calendar 2008, trailing returns for the Atlantic Trust Mid-Cap Growth strategy look appealing, as both short term and long-term performance records express consistency. The strategy has outperformed the Russell Mid-Cap Growth Index over 1-year, 3-year, 5-year, 10-year, 15-year and since inception periods on a gross of fees basis. Additionally, the Mid Cap Growth strategy's net of fees performance compares favorably to its peer group, the Morningstar Mid Cap Growth Index.

Composite Performance as of 12/31/08:

	1 YR	3 YR	5 YR	10 YR	15 YR	Since Inception
Atlantic Trust Mid-Cap Growth (gross)	-42.8%	-10.2%	-1.8%	2.1%	8.1%	11.2%
Atlantic Trust Mid-Cap Growth (net)	-43.3%	-11.0%	-2.7%	1.2%	7.1%	10.1%
Morningstar MCG Index	-43.9%	-11.2%	-2.7%	0.1%	5.5%	6.9%
Russell Mid-Cap Growth Index	-44.3%	-11.8%	-2.3%	-0.2%	5.3%	6.6%

Source: Atlantic Trust, Zephyr Style Advisor. Past performance is not a guarantee of future results.

Lower Risk/Volatility

Strong returns represent only one component of a comprehensive investment evaluation. Standard deviation and other risk metrics are critical to an assessment of expected returns and volatility—both on a stand alone basis and relative to a benchmark or peer group. Atlantic Trust's Mid-Cap Growth quality focus has historically provided a level of stability that results in desirable risk characteristics at the portfolio level. For 1-year, 3-year, 5-year, 10-year, 15-year and since inception periods ending December 31, 2008, the Atlantic Trust strategy demonstrated lower volatility compared to its peers and benchmark.

Composite Standard Deviation as of 12/31/08:

	1 YR	3 YR	5 YR	10 YR	15 YR	Since Inception
Atlantic Trust Mid-Cap Growth (gross)	20.0%	19.7%	16.9%	22.4%	22.1%	22.1%
Atlantic Trust Mid-Cap Growth (net)	19.9%	19.6%	16.9%	22.4%	22.1%	22.1%
Morningstar MCG Index	25.6%	22.0%	18.8%	25.7%	24.0%	23.1%
Russell Mid-Cap Growth Index	26.9%	22.0%	19.0%	28.8%	25.8%	24.8%

Source: Atlantic Trust, Zephyr Style Advisor. Past performance is not a guarantee of future results.

Risk-Adjusted Returns

Investors desire to be compensated for the level of risk they assume both from an overall asset allocation and from an asset class perspective. As the Atlantic Trust Mid-Cap Growth strategy has demonstrated, strong risk-adjusted performance - as defined simplistically by Sharpe Ratio (strategy return in excess of a risk-free money rate, divided by standard deviation) - has remained consistently attractive since inception. For 1-year, 3-year, 5-year, 10-year, 15-year and since inception periods ending December 31, 2008, the Atlantic Trust strategy has not only outperformed its benchmark, but it has delivered those returns by employing less risk than its universe. While recent negative performance periods suggest ignoring the Sharpe Ratio, longer-term results still hold constant. The since inception Sharpe Ratio of the strategy is .33 versus a .11 for the Russell Mid-Cap Growth Index.

See GIPS disclosure on page 9 of this document for net of fee performance results.

Experienced Professionals

Consistency—ranging from philosophy and process to long-term performance—is an important underpinning to the Atlantic Trust Mid-Cap Growth strategy. This stability is highlighted by the strength and tenure of the strategy's dedicated investment team, co-managers Fred Weiss, CFA and Jay Pearlstein, CFA. Weiss' tenure on the product goes back to product inception in 1992, while Pearlstein's tenure reaches back to 1996. The co-portfolio managers each possess over 25 years of investment experience, and they have now been working together on mid-cap growth investments at Atlantic Trust for 12 years.

Weiss and Pearlstein are supported by a dedicated analyst, Bryan Reilly, a central team of sector specialists and a deep fixed income team. These seasoned professionals are augmented by a trading team that trades smaller capitalizations in a nimble fashion while delivering constant updates to the portfolio management team.

In an industry known for relatively high personnel turnover, particularly during times of heightened market volatility, the Mid-Cap Growth Team remains committed to offering a quality growth strategy. We believe the team's proven track record bodes especially well in the current investment climate where investors, both retail and institutional alike, desire experienced portfolio management teams with the resources to implement their long-standing investment processes. As such, we reason the attractiveness of a continuous process and stable team cannot be overstated.

Privileged Access

Atlantic Trust Mid-Cap Growth can now be accessed via a separate account with a **\$250,000 minimum** (prior minimum \$750,000). This affords a net client portfolio of \$2.5 million the ability to access this equity category in a separate account vehicle at a 10% asset allocation weighting. **The \$250,000 minimum** is more advantageous than higher minimums required by third-party investment managers.

Although secondary to a strong team, performance and process, this low-minimum separate account capability offers some unique advantages:

- Investors are not impacted by the trading activities of other participants in a particular investment strategy. For example, new separate accounts do not share in any legacy capital gains amassed in the prior operation of a pooled investment strategy.
- Future contributions and withdrawals by other investors have no impact on built-up gains or losses in a separate account.
- Gifting and tax loss harvesting is more easily executable through the identification of specific tax lots.
- Transparency of portfolio holdings and the ability to calculate year-to-date capital gains estimates are also benefits.

Summary

An Opportunity in Mid-Caps

Mid-cap securities have historically demonstrated attractive risk-adjusted performance relative to other U.S. asset categories. Despite their earnings holding up better, share prices have been cut to a great extent, thus providing an attractive current valuation. Also, mid-cap companies have historically demonstrated stronger rebounds in the second half of recessions than their larger peers.

Benefits of Atlantic Trust's Mid-Cap Growth Strategy

Compelling Performance

Risk-adjusted returns over short, mid and long-term horizons are favorable relative to the Russell Mid-Cap Growth benchmark.

Experienced Professionals

Consistency of investment professionals helps drive consistency of investment process and historically has delivered strong risk-adjusted returns.

Privileged Access

A new, lower separate account minimum provides access to the investment category where high minimums among competing strategies offer a higher hurdle rate in gaining exposure.

Considering Asset Allocation

While we look forward to a gradually improving environment, 2009 will likely remain difficult to navigate. Timing the market is among the most difficult ways to make or preserve capital effectively, but at current levels, capital markets are giving us an opportunity to reposition assets for the long-term. Atlantic Trust's investment experts feel that proper positioning across capital markets will be an important driver of relative performance, as reversion to the mean across many asset classes will highlight the benefits of a well-diversified investment portfolio. Since mid-cap equity constitutes a substantial percentage of the U.S. equity market, we advocate exposure within an asset allocation framework.

Atlantic Trust Returns—Mid-Cap Growth Equity Composite

December 31, 2008

Year End	Composite Assets		Composite Accounts at Year-End	Gross Annual Return (%)	Net Annual Return (%)	Benchmark Return (%) ^A	Composite Dispersion	Total Firm Assets (millions)
	Dollars (millions)	Percent of Firm Assets						
2008	\$ 97.2	0.73	33	-42.79	-43.30	-44.33	0.77	\$ 13,392.4
2007	730.3	4.20	91	16.92	15.93	11.43	0.23	17,397.4
2006	760.2	4.55	64	8.38	7.32	10.67	0.62	16,673.0
2005	907.8	12.31	27	7.86	6.85	12.08	0.15	7,372.1
2004	850.9	10.59	17	16.90	15.83	15.48	0.24	8,035.4
2003	788.7	10.40	17	28.10	26.93	42.71	0.65	7,584.5
2002	577.6	8.61	12	-19.41	-20.24	-27.41	0.63	6,706.6
2001	878.1	11.95	19	-10.53	-11.40	-20.15	0.53	7,349.0
2000	1,006.6	13.39	21	7.94	6.97	-11.76	0.95	7,515.5
1999	788.5	11.46	14	35.13	33.92	51.29	N/A	6,881.0

– Not covered by the Independent Accountants Report.

Atlantic Trust has prepared and presented this report in compliance with the Global Investment Performance Standards (GIPS®). The Composite creation date is April 1, 2001 and inception date is July 31, 1992. The Composite inception date is the initial date in which performance data was available and the creation date reflects the date accounts were first grouped to create the Composite.

1. The Firm referred to in this document as "Atlantic Trust" comprises two wholly-owned subsidiaries of Atlantic Trust Group, Inc. ("ATG"): Atlantic Trust Company, a division of Invesco National Trust Company ("ATC") and Stein Roe Investment Counsel, Inc. ("SRIC"). All of these entities are indirectly wholly owned by Invesco Ltd., a company whose shares are listed on exchanges in the U.S., U.K., and Canada. SRIC was purchased by ATC on March 1, 2004. SRIC is the successor organization to the Private Capital Management Division ("PCM") of Stein Roe & Farnham Incorporated. Prior to January 1, 2006, ATC and SRIC were two different firms for performance reporting purposes. Subsequent to January 1, 2006, the two firms were merged, the portfolio's were aligned and the firm was redefined as Atlantic Trust. Total firm assets reflect the integration of the investment management platforms at the private wealth management division, which includes SRIC and ATC.

2. Composite Description: This composite is a collection of all discretionary accounts that are managed in Atlantic Trust's Mid-Cap Growth Equity Strategy. The objective of the composite is to seek long-term capital appreciation from investing in mid-sized companies, generally between \$1 and \$10 billion, that exhibit strong earnings growth potential yet trade at attractive valuations relative to peers. This strategy is made up of mid-cap stocks and may also invest in cash equivalents.

3. The benchmark for this composite is the Russell Midcap® Growth Index. The benchmark is used for comparative purposes only and generally reflects the risk or investment style of the product. Investments made by the Firm for the portfolios it manages according to respective strategies may differ significantly in terms of security holdings, industry weightings and asset allocation from those of the benchmark.

4. Monthly account returns are calculated using the Modified Dietz method. Monthly composite returns are calculated by weighting individual account returns by their beginning of month market value as a percentage of the composite's beginning of month market value. Annual composite returns are calculated by linking the monthly composite returns through compounded multiplication. All realized and unrealized gains and losses as well as all dividends and interest from investments and their accruals and cash balances are included. Investment transactions are accounted for on a trade-date basis. Portfolios are included in the composite beginning with the first full month of performance to the present or to the last full month prior to the cessation of the client's relationship with Atlantic Trust. Composite performance results are presented in United States dollars. Additional information regarding the firm's policies and procedures for calculating and reporting performance results is available upon request. Prior to January 1, 2006 composites returns were calculated quarterly rather than the monthly basis as previously discussed.

5. The dispersion of annual returns is measured by the standard deviation across asset weighted portfolio returns for years beginning with 2004 and equal weighted for years prior to 2004 represented within the composite for the full year. Composite dispersion is shown for those years when there were five or more portfolios in the composite for the full year.

6. The gross returns for the composite are calculated net of brokerage commissions, but do not reflect any deduction for investment advisory fees, custodial charges or other costs, which a client might bear in connection with the management of the account. The returns realized by an investment advisory client would be reduced by these costs. Monthly net of fee performance is calculated by subtracting one twelfth of the actual fee or one twelfth of the firm's highest annual fee from the monthly gross return for each account. This composite has historically included one or more pooled vehicle for which there was no fund-level fee. In these cases, the firm's highest level of fees was applied to calculate net of fee returns. Annual net of fee performance is calculated by geometrically linking the monthly net of fee performance returns. The investment advisory fees typically charged by Atlantic Trust to clients are as follows::

Up to \$5,000,000	1.20%
\$5,000,000 to \$10,000,000	0.80%
\$10,000,000 to above	0.60%

7. The minimum portfolio size for the Atlantic Trust Mid-Cap Growth Equity Composite is \$ 250,000. Prior to January 1, 2009, the portfolio minimum asset size was \$ 1,000,000 and prior to January 1, 2006, the minimum asset size was \$3,000,000.

8. A complete list and description of the Atlantic Trust composites and performance results are available upon request.

9. Past performance, as shown in the presented composite results, should not be construed as a guarantee of future results.

10. Anthony Pell, President and Portfolio Manager, retired as of March 1995.

Atlantic Trust Private Wealth Management includes Atlantic Trust Company, a division of Invesco National Trust Company (a limited-purpose national trust company), and Stein Roe Investment Counsel, Inc. (a registered investment adviser), both of which are wholly-owned subsidiaries of Atlantic Trust Group, Inc. This document is intended for educational purposes only and the material presented should not be construed as an offer or recommendation to buy or sell any security. Concepts expressed are current as of the date of this newsletter only and may change without notice. Such concepts are the opinions of our investment professionals, many of whom are Chartered Financial Analysts® (CFA®). The CFA designation is a globally recognized standard for measuring the competence and integrity of investment professionals. Certified Financial Planner Board of Standards Inc. owns the certification marks CFP® and CERTIFIED FINANCIAL PLANNER™ in the U.S.

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