

# The Atlantic Trust Advisor

## Grantor Trusts Can Give Your Estate Plan a Boost

Discover a Powerful Tool for Removing Assets from a Taxable Estate

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One of the best ways to trim estate taxes is to reduce your net worth by making lifetime transfers to family members. But even clients who are comfortable with that idea quickly run up against the legal limit: you can only give away \$1 million (\$2 million for married couples) before a 45% gift tax applies. The challenge is to pack as much value as possible into that *lifetime exemption* amount. *Grantor trusts* can help you achieve this goal.

These trusts, long relied on by savvy estate planners, have received increased attention lately. "In an uncertain transfer tax environment, clients want to optimize the exemptions that they have," explains Linda Beerman, managing director at Atlantic Trust. Since grantor trusts offer both income- and estate-tax benefits, they are a powerful tool for removing assets from a taxable estate.

### What is a grantor trust?

A grantor trust is not a single variety of trust, but a set of characteristics that can be incorporated into various

### Atlantic Trust has a New Look!

Atlantic Trust has refreshed the design of *The Advisor* newsletter and several other materials. We hope you enjoy the new look, and as always, we welcome your feedback. ■

types of popular trusts. The term refers to the fact that the person who creates the trust, known as the grantor, retains certain rights or powers. As a result, the trust is not treated as a separate entity for income tax purposes, so that the grantor, rather than the trust or its beneficiaries, must pay tax on trust earnings.

A 2004 Revenue Ruling made it clear that paying the tax is not considered a gift to the trust beneficiaries. Yet this tax, on income that the grantor probably never receives, shrinks his or her estate. At the same time, assets can appreciate inside the trust without being depleted by ordinary

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## A Better Home for Cash

Atlantic Trust  
Fixed Income Team

Metaphorically speaking, people should always have some cash stashed under the mattress. In reality, many wealth management clients often have significant, and sometimes unexpected, liquidity events that require coordination of their short-term cash with complex, long-term plans—and they need a better option than the mattress.

Investors typically look to money market mutual funds (MMF) to meet their short-term cash management needs. “However,” says Michelle Knight, senior vice president and head of the fixed income team, “funds are restricted in what they can hold, thus reducing flexibility and investment options.” A standard MMF can’t hold investments with maturities longer than 397 days and the average maturity of the entire fund has to be 90 days. “In addition, MMFs have to maintain daily liquidity. With the flexibility of our active cash management strategy, we can accommodate both the short-term and long-term needs of our clients and often increase their yield,” says Knight. “Unlike a MMF, we have no limitations on sector exposure and are not obligated to provide daily access to cash.”

### As of 12/31/06, the Atlantic Trust Fixed Income Team managed:

- *\$1.8 billion for active cash*
- *\$5 billion total*

Each portfolio holds individual securities that reflect the client’s unique liquidity needs. Active management with a dynamic investment approach takes into account current yields, quality of available fixed income products, and an analysis of where interest rates are headed and opportunities in various market sectors. It also allows the team of five fixed income portfolio managers to continually identify opportunities that add value to a portfolio. “We manage to our clients’ evolving life situations—some move in and out of tax brackets each year, or change their state of residence. Others may have either specific target dates—such as for tax payments or a staged investment program—or more fluid target dates for cash needs,” says Knight. “We factor in those variables so that we can make good tactical decisions on investments for the portfolio, which can help maximize their return and provide liquidity when they need it.”

Much of the tactical customization is dependent upon the current yield curve, according to Adam Cohen, CFA, vice president and fixed income portfolio manager. “Currently, the yield curve is inverted, which means that some investments with longer maturities are not as attractive,” says Cohen. “But the whole point of active management is that we can determine how the assets should be allocated under various scenarios.”

### Case Study

A “holding place” for cash may not sound as exciting as the newest hedge fund, emerging market opportunity, or merger and acquisition, but the value added to a portfolio can result in dramatic differences to a client’s strategic wealth management objectives. Recently, a long-term client had earmarked liquid assets to potentially fund a family foundation, but was dissatisfied with the return and fee they were paying to another management firm for their cash management. “They moved those assets—money market funds—to us, we converted them to taxable investments with a better yield,” says Cohen. “Their relationship manager now has a big-picture perspective on all of their assets and can make better decisions for the future. Our ability to customize their short-term program was really the springboard into a major goal for this family.” ■

Portfolios include both fixed and floating rate taxable and tax-exempt investments. For taxable investments, the number one priority is investment grade or better. “We don’t buy junk-rated bonds,” says Cohen. “Our philosophy is that if you want to take a risk in your total portfolio of assets, the bond market is not the place to do it.” The majority of the tax-exempt cash management program is invested in AA or better variable rate demand notes (VRDNs), that re-set weekly and are issued by individual states. For clients in states with no income tax, the portfolio includes municipal floaters and fixed rate bonds from a variety of states that offer the most attractive yields, while also providing diversification.

“Because we’re not a broker-dealer, our clients’ portfolios aren’t limited to the current ‘house’ inventory of investment products,” says Knight. “We can offer a more-targeted universe of investments because of our relationships with more than 80 firms, from the large Wall Street wire houses to small regional broker-dealers. We believe it’s a key advantage for our clients—we want every dollar to work as hard as possible for them.”

Customized cash management typically results in a client’s peace of mind, all without having to understand the shape of a yield curve, how to plot or interpolate it, when a floating rate will re-set—or how long that cash should stay under the mattress. ■

## Rationalizing the Increased Interest in Private Equity

By Evan Jaysane-Darr  
Senior Associate

Private equity has become the new “hedge fund”, taking over the cover of the Wall Street Journal, as biased writers advocate for or against the phenomenon with little room for middle ground. This asset class has been growing at a torrid pace, with fundraising up 35% in 2006 over 2005, and up 88% since 2004.<sup>1</sup> Many of our clients are asking a question that the press has not addressed in great detail. Namely, what is driving the increased interest in private equity? We see two main causes of the industry’s rapid growth, both from an investment and a management point of view.

### Annualized Performance (through September 2005)

	Private Equity Firms	S&P 500
12 Months	27.0%	10.2%
10 Years	12.4%	7.7%
20 Years	14.3%	11.2%

Source: Thomson Venture Economics U.S. Private Equity Performance Index

There are multiple reasons for such immense investor interest. First, the asset class has historically outperformed the public markets (see table above). This is obviously a significant disparity over such a long period of time, and it is amplified when one focuses on the top quartile, which has historically dramatically outperformed the other quartiles (in fact the disparity between the first and fourth quartiles in private equity has been greater than in any other asset class) (Morningstar, 2004; Venture Economics, 2004). Second, private equity can have low correlation to traditional public markets, especially in the venture capital, distressed and mezzanine sub-sectors, which have correlations to the S&P 500 of 0.34, 0.30 and 0.39 respectively.<sup>2</sup> Overall private equity has a 0.62 correlation to the S&P and a -.22 correlation to bonds. A third benefit of private equity is that returns in the industry tend to be tax-efficient. The hold period of these investments typically ranges from 3–5 years, thus the bulk of the returns are in the form of long-term capital gains.

While it appears obvious why there is a dramatic flow of capital into the asset class, perhaps a better question is how can the private equity firms perennially outperform other asset classes without being correlated to the markets? What are these groups doing to add value to

these companies that could not or is not being done in the public markets?

Private equity portfolio companies and, by extension, private equity funds benefit from more than relief from some regulatory burdens like Sarbanes-Oxley. Simply put, there are strategies that private equity backed companies can employ that others cannot. The first has to do with motivation. As the underlying goal of all private equity deals is to ultimately sell a company at a profit, private equity principals tie a much larger share of executive compensation to the performance of the company and often require managers to invest a significant amount of their own money into the deal.<sup>3</sup> In addition, as private companies do not have to report compensation for top executives, they are able to pay them more, resulting in salaries and bonuses well above what an executive in a comparable public company might receive. According to Geoffrey Colvin, “In today’s climate of deep shareholder distrust, no public company would dare to offer a prospective boss such munificent terms.”<sup>4</sup> Akin to the so-called “brain-drain” of the 1990s, which witnessed the top mutual fund managers leaving to the more lucrative hedge fund industry, we now have a talent drain from public to private companies, and private equity is reaping the rewards. With a lot to gain and personal capital to lose, these elite managers’ interests are properly aligned with private equity firms and, therefore, with investors.

Finally, private equity can affect the health of a company through improving the capital structure of the business. This usually means increased leverage, but at the core it is really just providing incremental financing at low rates, so that the company may invest in itself not to the detriment of itself.

The asset class is not without risks. Private equity is clearly growing at an unsustainable rate. And as purchase prices and leverage increase commensurate with competition, a correction down the road may be inevitable. But the tools of the private equity trade will remain sustainable competitive advantages. Improving operations and properly incenting the best management to similarly motivate their teams is what we anticipate will continue to drive outperformance over public markets. ■

<sup>1</sup> Credit Suisse Equity Research. “Private Equity in 2007.” February 14, 2007.

<sup>2</sup> Anson, Mark J.P. *Handbook of Alternative Investments*. 2nd Edition. Hoboken, New Jersey: John Wiley & Sons, 2006.

<sup>3</sup> Colvin, Geoffrey and Ram Charan. “Private Equity, Private Lives.” *Fortune Magazine*. November 27, 2006.

<sup>4</sup> Colvin, Geoffrey. “Going Down the Talent Drain.” *Fortune Magazine*. September 18, 2006: Page 69.

## An Interview with Patricia Bannan

Co-Manager, Core Growth Equity



*Patricia Bannan joined Atlantic Trust in January 2007 as senior portfolio manager responsible for co-managing the Core Growth Equity Portfolio. Prior to coming to Atlantic Trust, Patricia managed large core portfolios for the mutual fund and wealth channels at Evergreen Investments. She began her career in 1982 at Phoenix Investment Counsel after receiving a degree from the University of New Hampshire. She holds the Chartered Financial Analyst designation.*

### **Q What attracted you to Atlantic Trust?**

**A** There's a strong collegial spirit and team orientation at Atlantic Trust. Certainly it's "competitive" in terms of our performance goals for the portfolio compared to our competition, but the internal environment is based on a great sharing of ideas and resources. Atlantic Trust was seeking additional leadership for a portfolio that emphasizes quality growth, and that fits well with my investment style. The portfolio is co-managed by Jamie Cosentino and Ned Zimmerman, who share a similar investment philosophy with me, and we draw on the resources of two analysts and the other Atlantic Trust portfolio managers. Our goal is to leverage the highest conviction ideas of each team member into the portfolio. An individual presents an idea and we discuss it: How does it fit with the criteria we consider important in a holding, what is the stock's potential, what are the risks, and how does it fit within the portfolio. There's a lot of give and take.

### **Q Describe your selection criteria for the Core Growth Equity Portfolio's holdings.**

**A** Our methodology is fundamental bottom-up stock selection within the large quality growth stock universe. For us, large is generally \$15 billion or more in market capitalization, but we do have the ability to have some representation in companies between \$2 and \$15 billion market cap. This gives us the latitude to broaden our horizons and stay competitive, but still stay true to our discipline.

Quality is a key tenet of our methodology and we focus on several factors. The first is proven management. We look at management's track record, consistency of strategy, and how management responds to change. Sustainability of earnings growth is important to us.

We also examine the company's financial returns, profitability, growth prospects, the strength of its balance sheet, and its competitive position. A strong competitive position often is characterized by a well-known brand or franchise, but it is not a given that a strong brand or franchise translates directly to quality. A company doesn't have to meet every one of these criteria but we need to have a good understanding of how each fits into their total picture. There's a lot of quantitative input as well as qualitative judgment involved.

### **Q You describe growth stocks as falling into one of three categories—would you explain?**

**A** The first category is consistent and predictable growth, companies that produce solid earnings growth quarter in and quarter out. Pepsi would be a good example—in a relatively mature business they've introduced new products, increased productivity, and have made and successfully integrated acquisitions. The second category is high or accelerating growth. Often times these stocks look expensive because their growth tends to be underestimated in the market. These stocks can present a tremendous opportunity if you are willing to dig deep into the fundamentals and make an assessment of the upside potential. Unexploited or undiscovered growth makes up the third group. These stocks could be cyclical growth stocks, such as Boeing, which is obviously directly tied to the commercial aerospace cycle, or a value stock with a growth catalyst such as a new product or new proven management coming in to improve profitability.

### **Q How do broad market themes influence and inform your portfolio selection and management?**

**A** Whether they're secular, cyclical or product cycle related, themes help us to focus on areas where there's potential for sustainable growth. They often give longevity to a company's growth story or allow you to look at a stock's valuation differently. I've been talking about demographics as a theme for two decades because you can look ahead and see what the patterns will be. Globalization and the digital revolution are also themes that have been around for a long period of time. Sometimes there will be a direct beneficiary of a theme and for others it really just provides a backdrop to consider when assessing a company's potential. In addition, themes keep us looking ahead and thinking about what might be the next great growth areas. ■

## Investment Review and Outlook

By Alfred F. Kugel  
Chief Investment Strategist

### Rebound

Toward the very end of February and extending into early March, there was a short, sharp sell-off in the global equity markets, which represented the first noticeable decline since the latest upward thrust in stock prices that got underway last July. Of course, we all recognized that markets don't go in the same direction forever. However, there are few guidelines to tell us when a sell-off might occur. In the event, the Dow-Jones Industrials and S&P 500 indices in the U.S. and most of the key markets overseas declined by about 7% from peak to trough, a somewhat nasty spill but not even sufficient to call it a typical correction (defined as a decline of 10% or more). Subsequently, all of the markets have enjoyed a rebound, with some of the risk-oriented ones—such as equities, commodities, credit spreads and emerging market currencies—recovering most of their losses within days.

The presumed "triggers" that set off the selling wave were a 9% decline on the Shanghai Stock Exchange on a single day and a press report that former Fed Chairman Greenspan had suggested that a recession was "probable" in the U.S. by the end of the year. Well, the Chinese market turned around promptly and has now gone on to set a new high, and Mr. Greenspan corrected his comment about a recession to a "possibility" rather than a "probability." In the meantime, the latest economic

indicators are suggesting a continuation of the pattern of moderate economic growth and moderate inflation, which provided the basis for some of the improvement in investor sentiment.

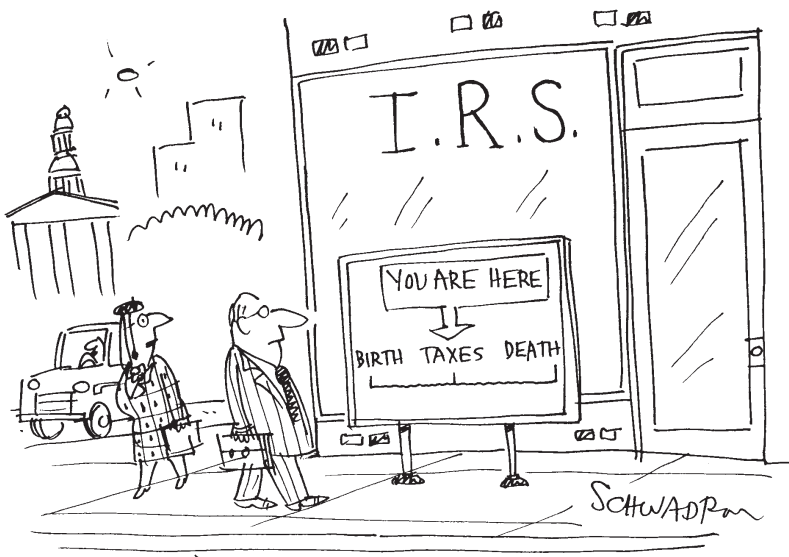
Another event that encouraged investors recently was the latest meeting of the Federal Open Market Committee, which adopted a "neutral" view of the interest rate outlook by removing the wording from their statement that had been suggesting that "additional firming may be necessary." At this point, then, they are awaiting additional data on inflation and economic growth to determine whether any change in policy might be needed going forward.

The bottom line is that the recent developments have not caused us to change either our expectation for 2007 economic growth (approximately 3% for real GDP) or for an increase in earnings for the S&P 500 companies in the high single-digits of around 8% for the year. However, these numbers are for the year as a whole—as compared to 2006—and they will be "back-end loaded," i.e., with better comparisons in the second half when the drag from the housing recession should be less of a problem.

### Economic Slowdown Ahead?

In keeping with the latest decline of 0.5% in the leading economic indicators (which don't lead all that much anymore) some forecasters are calling for a slowdown in the U.S. economy in the period ahead. However, based on a variety of other indicators, I believe that the tense is misplaced. In fact, we have been in a period of slow growth for almost exactly a year now, and I have yet to see any convincing evidence that things are getting slower. Indeed, the last really strong period was the first quarter of 2006 when real GDP (helped by unusually mild weather) rose at an unsustainable 5.6% annual rate.

Since then, the numbers have been 2.6%, 2.0% and 2.5%, and my best guess is that we will remain in this range during the first and second quarters of 2007. What happened, of course, is that the sharp decline in housing acted as a drag of more than a percentage point in each of the most recent three quarters (and probably the latest one as well). This means that, aside from housing, the economy is continuing to grow pretty much in line with its normal rate of around 3%.



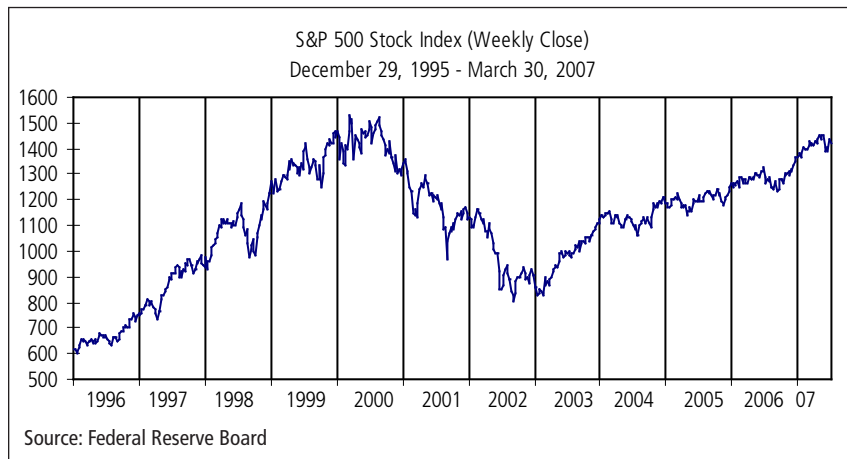
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## Investment Review & Outlook

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Another factor that has depressed the latest economic data is weather. Most of the recent numbers relate to February, when sizeable areas of the country were caught in a bout of severe winter weather, which almost surely acted as a depressant on such indicators as employment, retail sales and manufacturing output. At least the weather has improved in March, and when the next wave of data is reported we will see how much of a rebound in activity has taken place.



### Sub-Prime Mortgage Question

In recent years, especially 2005 and 2006, a large number of homes were purchased through the use of sub-prime mortgages. These instruments were often provided without calling for repayment of principal, with unusually low “teaser” interest rates, and without an adequate earnings history on the part of the borrower. Presumably, everyone involved thought all would be well as long as the price of houses continued to rise. That has not been the case in recent months, and an increasing portion of the sub-prime paper has fallen into delinquency. This, of course, has put some pressure on the real estate market. While there will undoubtedly be losses involved for some of the participants, the key question is how much effect it will have on the economy as a whole.

It is estimated that there are about \$1¼ trillion of sub-prime mortgages out of total residential mortgages of about \$10 trillion. If we assume that about a quarter of these, or some \$300 billion, go into default, the question is how large will the losses be. The houses won't disappear, and there will no doubt be a lot of “bargain hunters” around to buy the paper and/or the homes at appropriate discounts. As a result, we do not anticipate

that the write-offs will be sufficient to adversely impact the financial system as a whole. However, for the sub-prime originators, there will be sufficient pain that some have disappeared and others are likely to go out of business. Moreover, it may prove that there are some losses in prime mortgages as well.

### Stocks Remain Undervalued

As to the stock market, corporate earnings remained very buoyant during 2006. In fact, profits rose by approximately 16% for the companies in the S&P 500, which essentially matched the strong results that had been reported for 2005. However, it is important to note that we believe

the conditions that have produced four consecutive years of double-digit earnings growth are now behind us and, as a result, we are forecasting that earnings for 2007 will likely rise by single-digits, perhaps around 8%.

It is interesting to note that even though stock prices have increased substantially during the past several years—actually having risen by 83% since the October 2002 low—earnings have gone up even more. As a result, the 12 months forward earnings multiple has declined from about 18x at the end of 2003 to 14½x currently. Obviously,

investors have had considerable concern—erroneously thus far—that the favorable underlying economic and financial conditions, such as those discussed above, would not persist.

Moreover, we believe that it is noteworthy that this decline in multiples has occurred even though long-term interest rates and inflation are still toward the low end of their average levels for the past five decades and that neither seems likely to break out of its recent range anytime soon. In addition, taxes on investment income (i.e. dividends and realized long-term capital gains) remain at their lowest level in 65 years so that investors can keep a larger share of their pretax returns.

Overall, assuming that the investment environment remains generally positive as we expect, reflecting the scenario described above, there would seem to be a reasonable chance of some upward revision in multiples during the next year or two, instead of a further decline. If so, this means that the market would provide even more favorable returns to equity investors. ■

Sources: Federal Reserve Board, Department of Labor, Department of Commerce, Wall Street Journal, Economic Advisory Service

## Give Your Estate Plan a Boost

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income or capital gains taxes. "That prospect translates into significant sums," says Daryl M. Allen, senior vice president at Atlantic Trust.

Allen offers the following example. A trust is funded with \$1 million worth of assets, invested for growth to produce a total return of 8% per year:

- 2% of the total return reflects ordinary income, taxed at 35%
- 2% is capital gains, taxed at 15%
- 4% represents growth that will not be taxed until a gain is realized (for instance, when assets are sold)

The blended tax rate on the total return is 12.5%. Compare what the value of the assets would be in 20 years if the grantor, rather than the trust, pays this tax.

### Grantor Pays the Blended Tax Rate

	Trust pays the tax	Grantor pays the tax (assets grow tax-free)
Year 5	\$1,402,552	\$1,469,328
Year 10	\$1,967,151	\$2,158,925
Year 15	\$2,759,032	\$3,172,169
Year 20	\$3,869,684	\$4,660,957

Source: Atlantic Trust, for illustrative purposes only

"Another attractive feature of these irrevocable trusts is that assets placed in the trust are removed from the senior family member's estate," says Judith A. Saxe, managing director at Atlantic Trust. From an estate- and gift-tax perspective, the transfer is treated as a completed gift. The value of the assets is frozen at the time of the transfer so that future appreciation is not subject to estate or gift tax. Clients who have taken advantage of these trusts have ranged from young entrepreneurs with mushrooming assets to elderly couples with securities portfolios.

### Grantor trusts in action

A variety of powers contained in the trust instrument will have the effect of conferring it with *grantor trust status*. Examples include:

- *The right of the grantor or the grantor's spouse to receive loans from the trust without collateral*
- *The option to reacquire certain trust assets and substitute others of equivalent value*

- *The power of the trustee to add charitable beneficiaries*

Whether or not such powers are actually exercised—and often they are not—putting them into the instrument makes it a grantor trust.

We have encouraged clients to incorporate grantor trust powers in trusts established for many different purposes. For instance, some clients have included them in simple trusts, designed to receive gifts under the *annual exclusion*—the \$12,000 per year you can give to as many recipients as you would like without incurring a gift tax. (Annual exclusion gifts do not count against the lifetime gift-tax exemption.) Spouses can combine their annual exclusion to jointly give \$24,000 to any person tax-free. It is possible to contribute up to the annual exclusion amount for each trust beneficiary.

"Grantor trusts can also be extremely useful in life insurance planning," says Saxe. In this context you would want to confer grantor trust status on an *irrevocable life insurance trust* (ILIT). Why make an ILIT a grantor trust? "These trusts are commonly funded with annual exclusion gifts which the trust uses to pay the life insurance premiums," Saxe says. "The more quickly funds accumulate inside the trust, the sooner it will be able to pay the premiums without further gifts from the grantor."

### Case Study

A couple set up a trust to benefit their five grandchildren and funded it with annual exclusion gifts of \$120,000 per year (\$24,000 apiece times five grandchildren).

Consider the power of grantor trust status if this trust successfully invests a single year's contributions—perhaps by purchasing stock in a new business that one of the grandchildren has started. Let's say that five years later the company goes public and the stock originally bought for \$120,000 is worth \$2 million. "If the trust sells this stock, the grandparents, rather than the trust, would pay the capital gains tax on the \$1.88 million in appreciation," says Allen. At today's 15% rate for long-term capital gains, that tax would be \$282,000 (\$1.88 million times 15%). "By paying this tax, the grandparents effectively make an additional tax-free gift to the trust," Allen adds. ■

### Sophisticated ways to fund grantor trusts

If you would like to fund a grantor trust with more than the annual exclusion amount, or have already used your lifetime exemption, you will probably want to transfer assets to the trust at little or no gift-tax cost. Typically your choice is between using a grantor-retained-annuity trust (GRAT) or an installment sale to the grantor trust.

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## Give Your Estate Plan a Boost

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With a GRAT, you put appreciating assets into a grantor trust and retain the right to receive an annuity for a preset period. If you survive the GRAT term (a condition for this tool to work), the beneficiaries get whatever is left in the trust, including appreciation, tax-free. It is currently possible to set up a GRAT that results in no taxable gift—or at least a very nominal one. An installment sale offers another way to transfer property without having to pay gift tax. Here the grantor sells assets to the grantor trust in exchange for a promissory note. When structured properly, there is no capital-gains tax on the sale to the trust.

### Potential pitfalls

With all estate planning techniques, you must be able to part with the property you are transferring, but grantor trusts pose an additional risk, says Beerman: “You must also retain enough wealth to pay the tax liability if the trust assets greatly appreciate.” For example, if the trust owns a large position in low-basis stock that is about to explode in value—say because the company is being sold—the tax liability could be more than you are prepared to pay.

“One option, when you expect the tax bill to be unaffordable, is to turn off grantor-trust status, but once this happens it is not possible to turn it back on,” says Saxe. How you *toggle off* the trust will depend on the provisions that made the instrument a grantor trust in the first place. For example, you could renounce the power to reacquire certain trust assets and substitute others of equivalent value. Some lawyers rely on grantors to relinquish any relevant powers, and give the trustee authority to turn off the rest. Others set things up so that an independent party often known as a selector or a trust protector, can terminate all the appropriate provisions.

Using grantor trusts requires careful planning with your advisors. When assets are appreciating, they can produce significant rewards. Combining grantor trusts with other estate-planning strategies offers a highly effective way to pass wealth from generation to generation. ■

## News of Atlantic Trust: 75th Anniversary Celebration

More than 350 clients, employees, and members of the Chicago business community gathered at The Art Institute of Chicago on February 21, 2007, to celebrate the 75th Anniversary of Atlantic Trust's Chicago office. Guests enjoyed a cocktail buffet and the tunes of a jazz trio in the former Stock Exchange Trading Room, before taking advantage of a rare private viewing of the special exhibit: *From Cezanne to Picasso, Ambroise Vollard, Patron of the Avant-Garde*.



Atlantic Trust has a strong legacy in Chicago, dating back to 1932, when Sydney Stein Jr. & Associates was created to manage assets for one family—and we still manage their family foundation today! In 2004, Stein Roe Investment Counsel LLC became part of the Atlantic Trust family. There are several longstanding employees who we would like to recognize:

- Al Kugel for 54 years with the firm
- Tom Keim for 47 years with the firm
- Peter Barrett, Jim Stacke, Bob McNeil and Lynn Maddox for approximately 40 years with the firm

“Thanks to Al, Tom, Peter, Jim, Bob, Lynn and the rest of our Atlantic Trust staff for your commitment to our clients and to offering customized service and high-quality investments,” said Jack Markwalter, president and CEO of Atlantic Trust. He and Marty Flanagan, president and CEO of AMVESCAP (Atlantic Trust's parent company), gave brief remarks and a toast to 75 years. Jack concluded saying, “Chicago is an important, growing market, and we will continue to build on our strong presence here. Thanks to all who made this anniversary celebration a success. We're very much looking forward to the next 75 years!” ■

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