

# THE ATLANTIC TRUST ADVISOR



Atlantic Trust's due diligence means focusing an experienced, critical eye on the quality and fiscal health of municipal bonds. Only those that meet stringent criteria are considered for investments.

## The State of the States

**Q:** *What do the municipal bonds of Harrisburg, Pennsylvania, have to do with your portfolio?* **A:** *Absolutely nothing.*

**ALSO IN THIS ISSUE:**

Commodities and Your Portfolio

Families and Family Businesses

Atlantic Trust Recognized as Industry Leader • New Hire Announcement

The headlines about municipal bonds are everywhere. They're melting down, collapsing, imploding and are in a death spiral—except they're not. States and municipalities everywhere are in the grip of catastrophic budget shortfalls that will result in the perfect storm of disaster—except they're not, either. Several highly publicized examples of projects gone bad—defaults on lease-backed bonds for a California golf course, an overbudget steam generation project in Wisconsin and a recreational facility in New York (all non-essential projects with debt-holder security from annually appropriated funds)—are good examples of how isolated projects with overly optimistic forecasts that didn't pan out can turn legitimate concern into near-panic. But there's much more to the story than the headlines.

### A Classic Case of Supply and Demand

First, the context. The fourth quarter of 2010 was the worst quarter for municipal bonds since March 1994, with the broad municipal market, as represented by the Barclays Capital Muni Bond Index, dropping 4.5%. Many media reports highlighted "severe" fiscal problems across the country, often choosing to use alarming examples such as financially beleaguered Harrisburg, Pennsylvania, which had a brush with bankruptcy, or El Centro, California, which has an unemployment rate of 24.3%. While there is no question that states and municipalities are experiencing fiscal stress and significant budget gaps, and have been since 2007, the pessimists fail to mention the revenue-raising tools that states have at their disposal: raising taxes and cutting spending to achieve a balanced budget. (Note that 49 of the 50 states have a constitutional requirement for a balanced budget.)

*Continued on page 2*

**ATLANTIC TRUST**

PRIVATE WEALTH MANAGEMENT

In fiscal year 2010, 31 states instituted job or salary cuts, 23 dipped into their “rainy day fund” and 22 experienced revenue enhancements. In fiscal year 2011, more of the same is expected.<sup>1</sup> But the significant sell-off in the fourth quarter of 2010 was more related to a classic case of supply versus demand, according to Gary Pzegeo, CFA, head of fixed income for Atlantic Trust.

“Facing the expiration of the Build America Bond (BAB), part of the 2009 federal stimulus programs, every good state treasurer took advantage of low-cost financing and rushed to market with their bonds,” says Pzegeo. “At the same time that supply was greatly increased, municipal bond mutual funds experienced significant outflows, as did Treasuries. But what began as a supply-demand story quickly became a fear story as reports about the potential for defaults in the hundreds of billions of dollars took hold.” All together, states received \$166 billion from 2009 and 2010 federal stimulus packages, resulting in a higher level of federal aid as a percentage of their budgets.

Although the number of defaults *may* increase, it is not expected to lead to a systemic meltdown. Putting defaults into context is important: According to Moody’s Investors Service, the five-year average cumulative default rate for rated municipal issuers from 1970 through 2009 is actually 0% for AAA-rated bonds, 0.01% for AA-rated bonds and only 0.08% for Baa-rated bonds. Of the 54 defaults of 18,400 rated municipal bonds between 1970 and 2009, 42 were in either housing- or hospital-backed issues.<sup>2</sup> Even if the default rate tripled on, for example, AA-rated bonds, it would still be below 1%. More important, says Pzegeo, is to focus on the leading indicators of broad municipal credit, which have stabilized or even turned positive.

### Budget Balancing Strategies Employed by Number of States

|                      | Fiscal 2010 | Fiscal 2011 |
|----------------------|-------------|-------------|
| Revenue Enhancements | 22          | 24          |
| Job/Salary Cuts      | 31          | 30          |
| Cuts to Local Aid    | 20          | 19          |
| Rainy Day Fund       | 23          | 13          |

Source: National Conference of State Legislatures, November 2010

### 5-Year Average Cumulative Default Rate for Rated Municipal Issuers (1970-2009)

|                   |       |
|-------------------|-------|
| AAA               | 0.00% |
| AA                | 0.01% |
| A                 | 0.04% |
| Baa               | 0.08% |
| Speculative Grade | 3.43% |

Source: Moody’s, February 2010

### A Tight Focus on Quality

Atlantic Trust focuses on two key groups of data to support its due diligence for investing in municipal bonds: credit analysis and examination of individual states’ revenue improvements and expense cuts. The leading indicators of credit quality for municipalities are the three big revenue categories—sales, income and property taxes. “We dig into the numbers,” says Pzegeo. “Looking at national numbers such as for unemployment gives you only that perspective. An aggregate number for the drivers of credit quality doesn’t really help determine the risks that a *specific* municipality faces. We actually look at more than 300 different metropolitan areas, as defined by the Bureau of Labor Statistics, sifting through the numbers for the relative change in unemployment, the absolute level of employment and what is influencing income tax receipts, which may also influence property taxes and sales taxes.”

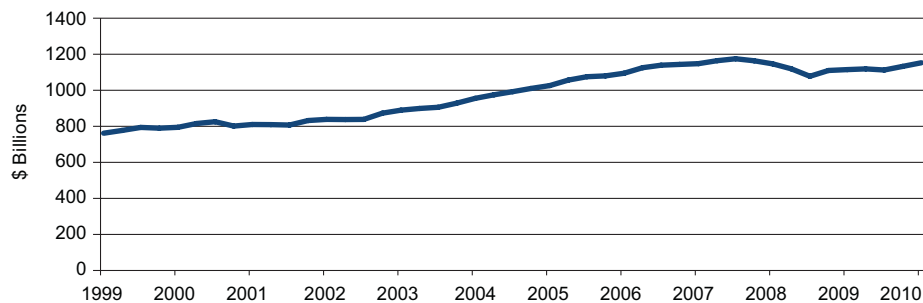
Two of those influencing factors are mortgage delinquencies and foreclosure

activity. Those recently turned more positive: According to the chief economist for Moody’s, 30-day, 60-day and 90-day mortgage delinquencies on first-home mortgages are falling nationwide.<sup>3</sup> Another positive development was the March 4 announcement that the national unemployment rate had dropped—finally—below 9%, the lowest level since March 2009, and that 192,000 non-farm jobs were added in February. In addition, there are signs that state finances will begin to stabilize more next year—as of mid-February, only 11 states reported new shortfalls emerging in their fiscal year 2011 budgets, compared to 45 in fiscal year 2010.<sup>4</sup>

While fine-tuning investment decisions to respond to current factors is critical, Atlantic Trust actually has been restricting its universe of municipal bonds for client portfolios since 2007, before the recession began. “Our criteria are very stringent,” says Pzegeo. “We narrow the municipal universe by 75% to 80% in order to construct portfolios with higher



## Personal Income Taxes, Sales Taxes & Property Taxes



Source: Bureau of Economic Analysis, December 31, 2010

than average quality and lower than average volatility.” Municipal bonds that don’t make the cut include those for less-essential or non-essential services—a public golf course is a nicety, not a necessity like roads and water—or in geographic areas where the risk is higher. In addition, Atlantic Trust doesn’t invest

in bonds with long maturities—“We don’t believe investors get adequately paid for that level of risk,” says Pzegeo.

Ultimately, Atlantic Trust’s decisions on municipal bond investments follow a single, fundamental philosophy: Municipal bond exposure is intended

to provide protection during uncertain times. “Whenever we talk with clients, they have questions on these big national stories,” says Pzegeo. “It bears repeating every time that it’s a mistake to think ‘a muni bond is a muni bond is a muni bond.’ Only by both culling and carefully selecting can we create a municipal bond portfolio that meets that philosophy of wealth protection for our clients.”

1 National Conference of State Legislatures, November 2010.

2 Moody’s, as of February 2010.

3 “Moody’s Zandi Says Risk of Widespread Muni Defaults Near ‘Zero,’” *Businessweek.com*, February 27, 2011.

4 Center on Budget and Policy Priorities, February 10, 2011.



## VETTING THE NEWS—AND THE HYPERBOLE

If some of the media reports and blogger “analysis” are to be believed, we’ll soon be a nation of gravel roads.

In December 2010, a former banking analyst named Meredith Whitney, who attracted attention in 2008 for correctly predicting Citigroup’s dividend cut, was interviewed on CBS’s “60 Minutes.” Her predictions about coming widespread defaults in municipal bonds resulted in a firestorm of news—and investor concern. One blogger wrote a lengthy piece based on Whitney’s predictions, and he predicted that the U.S. is “actually going back to gravel roads.” He cited the fact that the state of South Dakota has recently turned more than 100 miles of asphalt road into gravel because gravel is cheaper to maintain. No context was given on where the asphalt-now-gravel roads are or how heavily (or lightly) they’re traveled. The dire predictions of Whitney got some immediate pushback, with a well-respected columnist for Bloomberg News saying that the projection for “hundreds of billions of dollars” in default was “a number in the realm of the fabulous.” Further, said Bloomberg’s analyst, the prediction “generalizes about a market that resists generalization, a market that is particular and specific to a remarkable degree.”<sup>1</sup>

It’s vitally important for investors to filter the news—in our clients’ case, preferably through a conversation with

an Atlantic Trust relationship manager—and cast an intelligent and skeptical eye on outsized predictions that may be flawed or carry a hidden agenda. Whitney left her previous position at Oppenheimer & Co. after her notoriety from the Citigroup call and started her own firm selling research on municipal bonds—a position that gives her a vested interest in getting visibility.

Recent news about public sector employees and political turmoil in states such as Wisconsin and Indiana may play a part in reversing investor psychology about the fiscal health of states and municipalities, distressing as the reports may seem. “Long term, these developments may result in more responsible spending on public employee benefits by local governments,” says Pzegeo.

While Atlantic Trust subscribes to multiple economists’ and analysts’ research, the firm relies on its own in-depth analysis, “going back to the raw numbers,” says Pzegeo. “We don’t want to be subject to the filters that others may have. And, we have an extraordinarily talented and smart team that is focused on our clients, not on making news.”

1 “Meredith Whitney Overreaches with Muni Meltdown Call: Joe Mysak,” *Bloomberg.com*, December 21, 2010.

## From Precious Metals to Coffee Beans: How Commodities Can Benefit Your Portfolio

*What does the sale of 17 million cars in China in 2010 have to do with investing in commodities?*

Palladium, a precious metal, is used in fume-scrubbing catalytic converters for cars, primarily those with gasoline engines. In 2010, palladium demand hit its highest level in a decade due to increased environmental standards around the world and strong auto sales in China.<sup>1</sup> Consider also the demand for iron ore, an important mineral almost totally dedicated to steel production. China now is by far the world's largest steel-producing country, with a 44% share of production in 2010. At more than 600 million tons, China's volume of steel production has significant implications for the continued demand for iron ore.<sup>2</sup>

The point of these facts is this, says Clayton Santimore, CAIA, senior investment analyst: "Behind almost every story about the long-term outlook for commodities is a story about China—and India and other developing countries that are undergoing waves of building and consuming. As the middle class grows in these areas of the world, there is bigger demand for the raw materials needed to build homes, factories and water plants and to supply people with cars and electronics. You can't turn on CNBC without hearing about the hot commodity of the day. But selecting an individual commodity is not the way investors, even sophisticated ones like our clients, should be considering adding commodities to their portfolio."

### Rising Interest in a Rising Asset Class

Commodities are rising in prominence as an asset class as investors seek ways to improve the overall risk-adjusted returns of their portfolios. Interest by Atlantic Trust

clients is rising, says Santimore, and clients are asking the right questions, chief among them: Do assets such as oil, copper, cattle, soybeans, rice, silver, iron ore and cotton have a place in my portfolio?

Until fairly recently, many investors gained exposure to commodities by investing in the equity or debt of companies involved in the exploration or production of commodities. Few invested directly in commodities—most investors, after all, have no interest in taking physical delivery of hard assets. Investments in futures-based commodity indices are preferred, but even that is not for the average investor. "Buying commodities futures is full of pitfalls and risks," says Santimore. "The best way to get exposure to expertise, and to commodities' benefits, is through highly experienced managers with a track record."

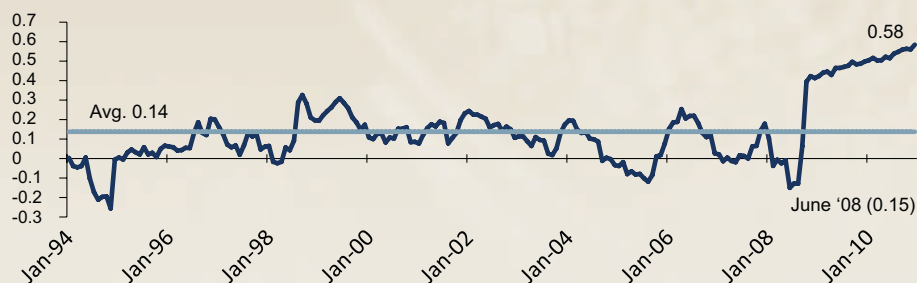
Today's story on commodities also is one of the evolutions of an asset class, says Alex Gansch, managing director of Gresham Investment Management LLC, a commodities manager on the Atlantic Trust platform. "Sophisticated investors, both institutional and retail, now better understand the role of a well-diversified basket of commodities in their portfolio," says Gansch. "They are a *long-term, strategic investment*. In years past, investors often viewed commodities as 'buy

some gold today, sell a little livestock tomorrow.' In other words, they're very tactical. But with more investors understanding commodities' effects on their portfolios—the ability to enhance the risk-adjusted return over time—they have become an increasingly important part of the portfolio's foundation."

The managers selected for the platform by Atlantic Trust (see sidebar) understand the big picture of what leads to commodities' and the indices' returns, most importantly fluctuations in supply and demand—and the contributing factors. Weather on the opposite side of the globe can play a big role—favorable weather generally increases the supply of cotton and grains such as wheat, with a bigger supply over a range of prices more readily available. Bad weather, such as a recent drought in Russia, can reduce the supply of agricultural products available for export, restricting supply and causing prices to soar. In addition, geopolitical issues, ranging from import tariffs to terrorism in oil exporting countries, can affect commodities' returns.

The attractiveness of adding commodities to a portfolio is best summed up by two investing fundamentals currently on many clients' minds: diversification and an **inflation hedge**. **Diversification** is

### Correlation Between Dow UBS Commodity Index and S&P 500 Index



Source: Zephyr and Atlantic Trust Analysis, December 2010, Rolling 36-Months



## THE ATLANTIC TRUST COMMODITIES MANAGERS

- **Gresham:** Seeks to invest in a liquid and diversified basket of long-only, commodity-linked derivative instruments, while limiting overall volatility inherent in commodities trading. Client collateral is invested in high-quality, short-term government debt instruments.
- **PIMCO Commodity Real Return Strategy:** Emphasizes broad commodities exposure while taking advantage of PIMCO's macro Investment Committee recommendations to manage the portfolio's collateral.
- **Credit Suisse:** Seeks diverse commodity exposure (DJ UBS Commodity Index) backed by a high-quality, short-duration collateral portfolio.

a direct result of commodities' historically low correlation with other asset classes that are typically part of a broadly diversified portfolio. While more recently, markets have tended to move in the same direction, correlation between commodities and the S&P 500 Index was negative 0.15 for the period January 1994 through January 2008 (see graph on page 4).<sup>3</sup> Like equities, commodities performed well in 2010—85% of the various commodities markets were positive for the year, 16 had gains of more than 25% and 4 (palladium, cotton, silver and coffee) had gains of more than 75%.<sup>4</sup>

"There certainly are times when wheat, corn and soybeans move more in sync, but a broadly diversified basket of commodities will include gas, crude oil, precious metals and sugar, to name a few, and that is an entirely different scenario," says Gansch. "An exposure to all commodities also negates the argument that an

individual commodity is over-, under- or neutrally priced and whether you should invest today or tomorrow. It's the long-term effect that's critical." Although the correlation between stocks and commodities remained high in the first quarter of 2011, it should slowly revert to near historical levels, further enhancing commodities' diversification benefit.


### "Accommodative" Fiscal Policy: Commodities and Potential Inflation

The huge, highly stimulative injections of liquidity, from both federal stimulus programs and the Federal Reserve's QE1 and QE2 Treasury purchase plan, lead many economists to project that inflation is on the near horizon. Predictions in early 2009 were that inflation was imminent; Atlantic Trust's opinion at that time was that inflation would be slow to materialize, which has proven to be the case. While we still don't expect an imminent rise in inflationary pressures in the U.S., longer term, the odds for higher inflation increase as excess capacity is absorbed and policymakers look for ways to minimize a heavy debt burden.

Commodities can be an effective hedge during periods of rising inflation. "We've seen an increasing positive correlation between the seasonally adjusted Consumer Price Index (CPI) and commodities," says Santimore. "Intuitively, it makes sense that as the price of a basket of goods increases, so does the price of raw materials. For example, an increase in the price of new cars, reflected in the CPI, could have been preceded by a rise in the steel, aluminum and plastic needed for manufacture. "We do know that over the past 15 years, the seasonally adjusted CPI has risen 2.4% a year," says Gansch, "while the Dow Jones UBS Commodity Index rose 6.1%, more than offsetting the rise in prices."<sup>5</sup> Commodities can certainly be an inflation hedge given the right strategy."

Clients frequently ask about the volatility inherent in commodities; in isolation,

they are about 41% more volatile than stocks and bonds. Examples abound of extremely high volatility on an individual asset class basis and sizeable negative returns in an index one year followed by just as sizeable positive returns. Sector exposure contributes to volatility and varies by index. In the Dow Jones UBS Commodity Index, the energy allocation is capped at 33%, while in the S&P GSCI Commodity Index, the energy allocation can go much higher—as of mid-March, it was 67.7%. "Most important is to remember that with a historical correlation of less than one, commodities have the potential to reduce a portfolio's overall risk," says Santimore.

Commodities may be most familiar to some people from pictures of the shouting, color-coordinated traders on a noisy and packed commodities trading floor. But commodity investments are no longer an esoteric strategy. Now more mainstream, commodities can be an important part of a portfolio designed to preserve wealth, contributing a solid mix of diversification, inflation-hedge and improved risk-adjusted return benefits. And, reminds Santimore, there's a strong long-term growth story that should fuel commodity demand for years to come. "While weather is largely unpredictable, rapid urbanization and development in countries such as China and India are not only predictable, they are here now." 

*DISCLOSURE: Commodities and futures generally are volatile and are not suitable for all investors. Use of derivatives involves risks similar to, as well as risks different from, and possibly greater than, the risks associated with investing directly in securities or more traditional instruments. Derivatives may also be more difficult to purchase or sell or value than other investments and are subject to counterparty risk—the risk that the other party will not complete the transaction with the fund. A fund investing in a derivative could lose more than the cash amount invested.*

<sup>1</sup> "Platinum and Palladium: The New Normal?" Seekingalpha.com, March 8, 2011.

<sup>2</sup> www.worldsteel.org.

<sup>3</sup> Zephyr, Atlantic Trust analysis.

<sup>4</sup> Example from Finviz.com.

<sup>5</sup> Zephyr, Atlantic Trust analysis.

## Families and Family Businesses

*What does “preservation” mean to the successful business owner?*

More than 90% of the companies in North America and a majority located around the world are family-owned. In fact, family businesses account for 50% of the gross domestic product in the U.S. These aren't always the stereotypical mom-and-pop dry cleaners or small printing shop, although there are plenty of those. Some of the biggest names in the corporate world remain family-owned and controlled companies: Cargill, Hallmark, Mars and E&J Gallo Winery, for example.<sup>1</sup> Family businesses have one dominant characteristic in common with each other—the overlap of family issues and business issues. That overlap makes the role of advisor in a multi-family office structure such as at Atlantic Trust a complex and highly critical one, involving unclear boundaries between the family and the business, deeply-rooted and shared traditions (both business and family) and wealth transfer with a vision for both individuals and the company. These are all issues that advisors must manage.

If the biggest challenge facing both the advisor and the family can be boiled down to one word, it's this: preservation. “As a wealth management firm, we are *always* highly focused on wealth preservation,” says Daryl Allen, managing director. “But for the client who is a business owner, that word often means many things—preservation of capital, the family's role in the business, the harmony of multi-generational relationships and the vision for the business's future.”



### Getting the Right Focus

As a multi-family office, Atlantic Trust's breadth of services for the ultra-affluent includes integrated investment management, estate planning, financial planning, risk, trust and cash management, strategic philanthropic planning and financial reporting. For the founding generation of a family business, those

services cross the boundaries of both the business and the family. The team of Atlantic Trust advisors must be skilled in all of the technical proficiencies, but sometimes the most important role centers on focus—perhaps even helping the family business founder get his or her focus *off* the business.



### TAKING CARE OF BUSINESS—AND THE FAMILY

A new report from the Family Office Exchange (FOX) describes **demographic trends** as the number one catalyst for family business owners to separate the management of their personal assets from the operating company.<sup>1</sup> According to FOX, there are about 22 million family-owned businesses in the U.S., and at least one-third, and possibly one-half, of the principal shareholders are 55 or over. In short, millions of family business owners who are Baby Boomers are reaching retirement age and now must find a wealth management solution that can meet the needs of their family's changing situation.

**Generational transition** is also an inflection point for the larger family. As families move beyond the founding generation, their focus shifts from wealth creation to wealth transfer and educating the next generation. During this process, the wealth services required to meet the needs of the family grow and change as well. Members of the succeeding generations may have very different roles and interactions with the operating company. Some siblings or cousins may choose to have entirely separate careers. An external, dedicated family office or wealth advisor, says FOX, is in a better position to serve all family members, regardless of their role and participation in the family business, and to evolve with the changing service needs of the family.

<sup>1</sup> “Taking Care of Business,” Family Office Exchange, 2011.



## THE FAMILY BUSINESS CEO: 4 KEYS TO FAMILY WEALTH AND BUSINESS WEALTH

*Family businesses have one dominant characteristic in common with each other—the overlap of family issues and business issues.*


A client of Allen's—a classic serial entrepreneur—has built four businesses that have yielded substantial wealth for the family. "We know that the fifth business is coming," says Allen. "Our role is to help this entrepreneur understand that his focus at this point in his life could be on not only enjoying the fruits of his labor, but also on being an advisor to his children, empowering and guiding them to step in, take the opportunity and achieve success of their own. For successful business builders, such as this client, it's a lot more 'fun' to build the next business; in fact, it even seems easy. It's understandable that this type of client would rather do what comes naturally, but we add a lot of value when we move the conversations toward perspective and longer-term vision."

Atlantic Trust's role also includes alerting family business owners to other concerns that need to be tackled—"While almost all successful business owners are extremely intelligent, it has not been their day job to study and become familiar with the intricacies of trusts and tax planning," says Allen. "This planning is our primary focus—and through our expertise and the knowledge we glean from personal practice working with other clients, we know how to ask the right questions, focus on the right topics, implement plans and provide relevant scenarios and outcomes."

A focus on *focus* also includes the advisor assuming responsibility to encourage, support and motivate the family business founder to take action.

A recent study found that three-quarters of owners of family businesses valued at \$300 million or more had succession plans, but only 38% had actually implemented them. Worse, although 89% of business owners were very concerned about protecting the family's wealth, 73% have no asset protection plan in place.<sup>2</sup>

Finally, the advisor can and should serve as a facilitator of rich and in-depth resources for very specific issues. One very common, and complex, issue with the family business owner is whether the children should enter the business and eventually become part of the leadership team of the company. That often requires the specialized expertise of a counselor trained in family dynamics and assessment. "Our job is to equip our clients with all the tools and information they need," says Allen. "By bringing in an expert with both the distance needed and the intimacy with similar situations, we can help put the family on the right path to discern the children's role, if any, in the business."

It's important to remember, says Allen, that Atlantic Trust was founded by trust and estate lawyers who advised numerous prominent and wealthy business owners. "We're not a firm that understands only the analytical side of advising clients, such as asset allocation and portfolio management. Many prosperous family businesses may think they are the only family wrestling with issues about growth, transition and leadership development, but as advisors to many family businesses, we can say, 'We know exactly what you mean.'" 

<sup>1</sup> "Not with a Whisper, but a Bang: Family Firms Are Top Performers," *Corpmagazine.com*, March/April 2009.

<sup>2</sup> "Shirtsleeves to Shirtsleeves in Three Generations," *pennsylvaniafiduciaryliteration.com*, July 2008.

1. Even if you're a serial entrepreneur who has achieved success in founding and operating one or more businesses, don't assume that managing family wealth uses the same skills as managing a business. An objective wealth advisor can not only help to separate the two, but he or she can also apply skills of risk and investment management not necessarily second nature to the founder of a business.

2. A wealth advisor can help the family delineate between family issues and business issues. It may sound counterintuitive, but an objective outside advisor can often do more to maintain family harmony than family members themselves can.

3. Consider that family executive leadership may not be required for the business to continue. In some cases, long-time non-family employees have as much emotional investment in the business—and skill in running it—as a family member.

4. Conversely, if the next generation enters the business as executive leadership, consider that they may not hold the same definition of "preservation." For the founder, preservation may mean "the way we've always done it." For the new leaders, it may mean something different.

# Atlantic Trust Recognized as Industry Leader in Client Service



**WINNER**

Best private wealth manager—overall client service—over \$5bn

Atlantic Trust

*Atlantic Trust has been recognized by Private Asset Management magazine as the “Best Private Wealth Manager in Overall Client Service” among firms with more than \$5 billion in assets under management.*

Our firm was selected by an independent panel of industry experts as part of the recently announced *Private Asset*

*Management 2011 Awards*. The panel judged each applicant on key criteria including financial progress and stability, growth in clients and internal hires, client satisfaction and industry innovation.

“This award is a significant accomplishment and reflects Atlantic Trust’s unwavering dedication and commitment to our clients,” says Jack Markwalter, chairman and CEO of Atlantic Trust. “Such recognition builds on the strong momentum Atlantic Trust takes into 2011, following a year that featured record growth,

competitive investment performance and 13 senior talent additions.”

Atlantic Trust is grateful to our clients for the privilege of being your trusted advisor and to our friends for your ongoing support of our business through the years.

*Of the five firms shortlisted for the rating, Atlantic Trust was the only firm selected for the award. This rating may not be representative of any one client’s experience, because the rating reflects an average or all, or a sample or all, of the experiences of Atlantic Trust’s clients. Any reference to a ranking, a rating or an award provides no guarantee for future performance results and is not constant over time.*

## ATLANTIC TRUST ADDS SENIOR LEADER IN CALIFORNIA



Rick Vandenberg, Jr.  
Managing Director

In March, Richard O. Vandenberg, Jr. joined Atlantic Trust as managing director and head of the firm’s San Francisco office, where he will be responsible for business development and overall client service for the Pacific Northwest.

“Rick is a veteran of the wealth management business with more than 29 years of experience working with

the ultra-affluent,” says Jack Markwalter, Atlantic Trust chairman and CEO, “He will be instrumental in continuing to build our brand and grow our business throughout this important region.”

Vandenberg joins Atlantic Trust from Bessemer Trust, where he was a managing director and business development officer for that firm’s San Francisco office. Prior to his tenure at Bessemer, Vandenberg was a senior vice president and wealth advisor for the Private Client Group at Merrill Lynch & Company. Previously, he spent more than 16 years with Goldman,

Sachs & Co., where he worked with ultra-high net worth individuals and families. He began his career in 1981 at Salomon Brothers Inc. as a taxable fixed-income specialist covering institutional accounts in the Pacific Northwest. He received a BS in finance from Brigham Young University and an MBA in finance from the Anderson School of Management, UCLA.

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