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PRIVATE WEALTH MANAGEMENT

Atlantic Trust Private Wealth Management

Multi-Manager 3Q11 Brainshark

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Disclosure

All data as of 9/30/2011 unless otherwise noted

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MMIP Hedge Fund Market Review

- Fund of Funds
  - Managers were successful in preserving capital during a challenging quarter

- Equity
  - Directional equity managers had a very challenging quarter, many of these managers have staged strong recoveries through the first 3 weeks of October
  - Non-directional managers helped preserve capital due to low market exposures

- Credit
  - Distressed managers were negatively impacted by lack of liquidity in the high yield market
  - Event Driven managers were faced with widening arbitrage spreads
  - Shorting deals and systemic hedges helped offset volatile market conditions

Investment Results vs. Benchmark (%)

	Net Returns as of September 30, 2011	
	3Q11	YTD
MMIP Fund of Funds Composite	-3.90%	-2.26%
HFRI Fund of Funds Composite Index	*-4.73%*	*-5.02%*
MMIP HF Equity Composite	-8.98%	-7.97%
HFRI Equity Hedge (Total) Index	*-9.58%*	*-8.70%*
MMIP HF Credit Composite	-4.30%	-0.96%
HFRI Event-Driven (Total) Index	*-7.00%*	*-4.10%*

HFRI Fund of Fund Index is made up of equally weighted domestic and offshore fund of funds. The HFRI Equity Hedge Index includes both long and short in primarily equity and equity derivative securities. The HFRI Event-Driven Index contains managers who maintain positions in companies currently or prospectively involved in corporate transactions of a wide variety including but not limited to mergers, restructurings, financial distress, tender offers, shareholder buybacks, debt exchanges, security issuance or other capital structure adjustments. Past performance cannot guarantee comparable future results and an investment can not be made directly in an index.

What We Are Hearing From Hedge Fund Managers

- Resolution to European sovereign debt crisis is being closely watched as the most significant catalyst for large market moves
- Macro-driven “risk-on/risk off” trading could last for several years due to continued global deleveraging
- Liquidity has been constrained in both equity and credit markets
- High market volatility and correlations present challenges for managers
  - Short-term fundamental opportunistic trades have been more successful than long-term trades
- Active portfolio/risk management was key to success for outperforming managers
- Corporate fundamentals are deteriorating on the margin, however valuations are cheap, especially in emerging markets

Hedge Fund Outlook

- We believe Euro, US and China policy decisions will be the major market drivers in the near-term
  - Policy uncertainty has greatly reduced market visibility, so no strong strategy views
  - Preference for low risk profiles and manager/strategy diversification
- Recent US market recovery is not common
  - Leading markets, such as China, remain close to their lows
  - Systemic risk indicators remain stressed
- If policy surprise is to the upside, we expect directional equity managers to recover
- Improvement in liquidity will be important in credit, particularly distressed managers
- In a deleveraging, slow growth environment, we believe risk management will be paramount
- Closely monitoring underperforming manager asset flows, while industry-wide redemptions is not expected

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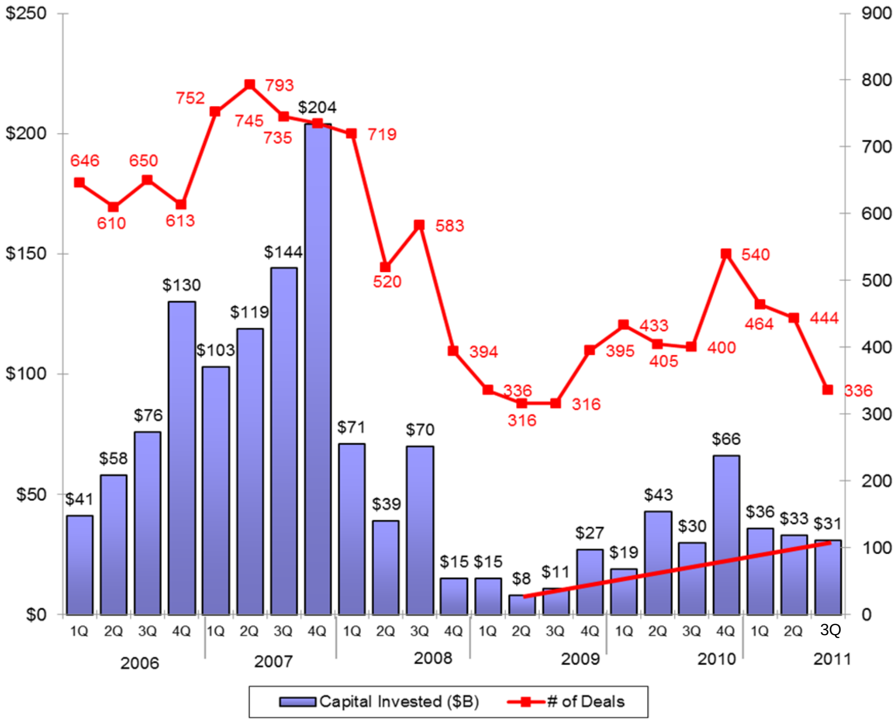
Private Equity Review

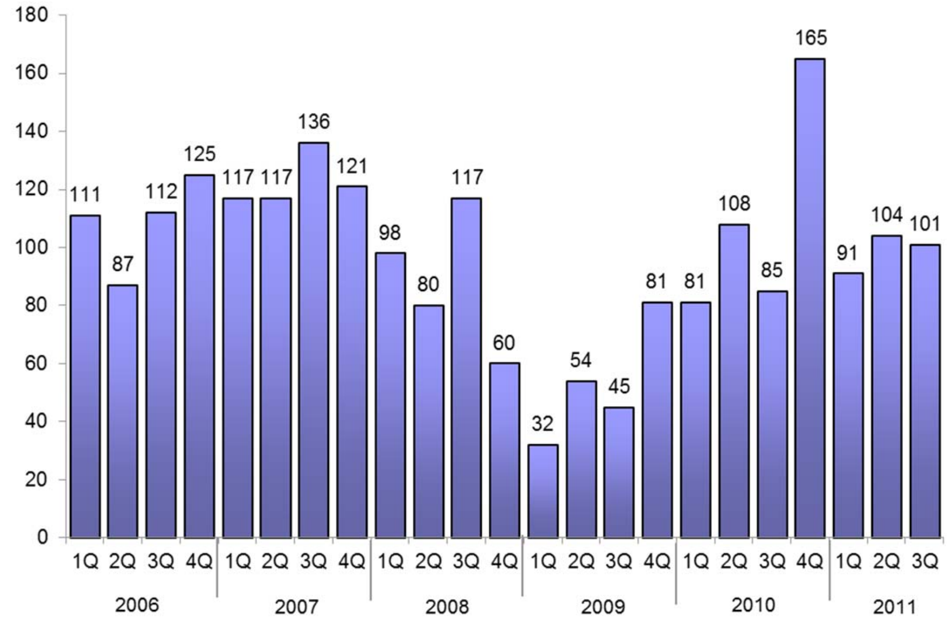
U.S. private equity deal activity is showing tentative signs of recovery

U.S. Private Equity Investment Activity



Source: Pitchbook, as of 9/30/2011

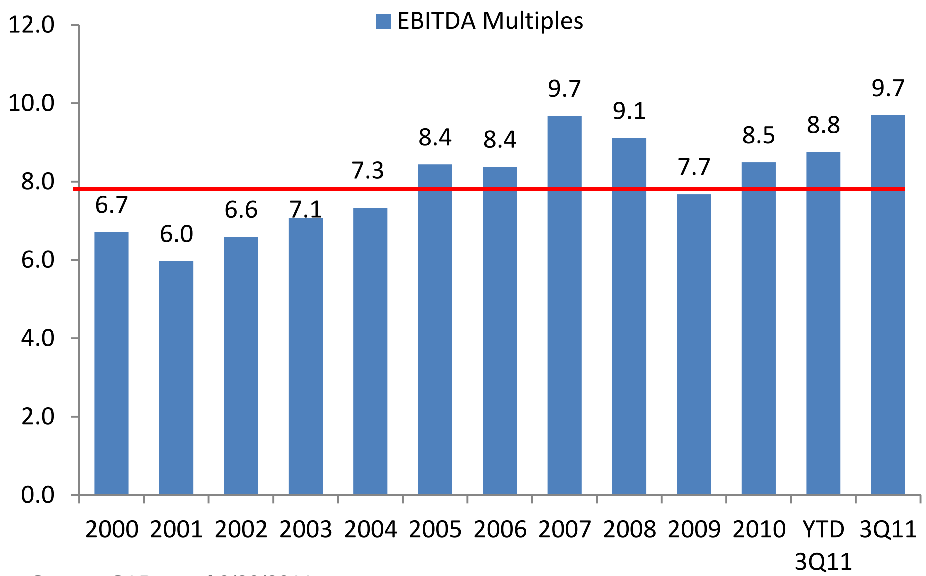
Quarterly Private Equity Exits



Source: Pitchbook, as of 9/30/2011

Purchase Price Multiples…Concern?

LBO Purchase Price Multiples



Source: S&P, as of 9/30/2011

LBO: Leveraged Buyout; EBITDA: Earnings Before Interest Taxes Depreciation and Amortization

We Believe Elevated Purchase Price Multiples are Here to Stay

- High cash levels on corporate balance sheets
- Lack of organic growth opportunities
- Access to cheap financing
- Synergies

Traditional Platform Review

- Equity markets suffered a heavy selloff, uncertainties regarding the EU sovereign debt crisis and concerns of a double dip in the U.S. economy dominated investor sentiment
- Large cap stocks outperformance of mid- and small-cap stocks can be interpreted as a flight to quality where cash reserves remain at an all-time high, where debt leverage and coverage appears manageable, and earnings and cash flow remain strong

	QTD	YTD	1 Year Annualized	3 year Annualized	3 Year St. Dev.
MMIP Large Cap Growth Composite	-11.45%	-6.07%	3.82%	2.73%	24.98%
Russell 1000 Growth Index	-13.14%	-7.20%	3.78%	4.69%	25.55%
MMIP Large Cap Value Composite	-13.75%	-8.47%	1.42%	-0.11%	24.83%
Russell 1000 Value Index	-16.20%	-11.24%	-1.89%	-1.52%	27.16%
MMIP Mid Cap Growth Composite	-18.59%	-12.81%	-0.90%	4.19%	26.18%
Russell Midcap Growth Index	-19.33%	-11.59%	0.80%	5.89%	27.55%
MMIP Mid Cap Value Composite	-17.51%	-10.52%	-0.76%	2.27%	26.64%
Russell Midcap Value Index	-18.46%	-13.01%	-2.36%	1.98%	28.70%
MMIP Small Cap Growth Composite	-20.68%	-14.12%	-0.99%	2.07%	30.00%
Russell 2000 Growth Index	-22.25%	-15.57%	-1.12%	2.07%	26.31%
MMIP Small Cap Core Composite	-18.96%	-12.84%	0.58%	4.56%	29.50%
Russell 2000 Index	-21.87%	-17.02%	-3.53%	-0.37%	32.02%
MMIP Small Cap Value Composite	-20.97%	-17.83%	-6.28%	1.34%	27.68%
Russell 2000 Value Index	-21.47%	-18.51%	-5.99%	-2.78%	30.83%

Source: Pertrac and StyleADVISOR, as of 9/30/2011

Past performance is not a guarantee of future results. Investments can not be made directly in an index.

Traditional Platform Review

- Emerging markets suffered the most at the hands of investors who sold off perceived riskier assets in a flight to safety
- The European Central Bank restarted the buying of new debt securities of both Italy and Spain in an attempt to keep yields down and restore normalcy to the market, ultimately dragging the markets down further

	QTD	YTD	1 Year Annualized	3 year Annualized	3 Year St. Dev.
MMIP Diversified International Eq. Composite	-18.83%	-15.26%	-7.79%	2.52%	28.67%
MSCI EAFE Index	-18.95%	-14.62%	-8.94%	-0.66%	30.16%
MMIP Emerging Markets Composite	-19.64%	-19.32%	-15.76%	7.13%	34.70%
MSCI EM (EMERGING MARKETS) Index	-22.46%	-21.66%	-15.89%	6.59%	34.87%

Source: Pertrac and StyleADVISOR, as of 9/30/2011

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What We Are Hearing From Traditional Managers

- Markets are very likely to remain choppy over the remainder of the year and into 2012
- Quality growth businesses should continue to benefit from a balance of domestic and non-U.S. revenues
- Emerging market economies are slowing, however the opportunity is still ever-present as a source of growth and diversification
- Europe’s governments will not allow any major banks in the EU go under

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Traditional Outlook

- The U.S. economy is not likely to go into a recession but will be vulnerable to exogenous shocks
- Emerging market fundamentals are relatively sound, however these countries are still faced with overheating asset prices, government's monetary and fiscal tightening, and sluggish external demand
- We believe defensive and high yielding stocks as well as stocks that exhibit sustainable, consistent growth should perform well in coming markets

Disclosure

Definitions:

- Alpha – Alpha is the incremental return on a manager when the market is stationary or the extra expected return due to non-market factors. The risk-adjusted measurement takes into account both the performance of the market as a whole and the volatility of the manager. A positive alpha indicates that a selected portfolio has produced returns above the expected level at that level of risk, and vice versa for negative alpha.
- Beta – A measurement indicating the volatility of a manager relative to a chosen market. A beta of 1 means a manager has about the same volatility as the market. A beta higher than 1 means the manager is more volatile than the market, while a beta lower than 1 means less volatile.
- Best Return – Within a selected date range (e.g., 5 years), the manager's best rate of return.
- Downside Market Capture – A measure of the manager's performance in down markets relative to the market itself. A value of 90% suggests the manager's loss is only nine tenths of the market's loss.
- R-Squared – A statistical measure that represents the percentage of a portfolio's or security's movements that are explained by the movements in a benchmark index.
- Sharpe Ratio – A measure of the risk-adjusted return of a portfolio, the Sharpe Ratio is equal to the excess return over the risk-free rate divided by the standard deviation of the portfolio. The ratio can be used to compare the performance of managers. If two managers had the same level of risk but different levels of excess return, the manager with the higher Sharpe ratio would be preferable because the manager achieved a higher return with the same level of risk as the other manager.
- Standard Deviation – Standard deviation is a statistical measure of a portfolio's total risk and indicates the variability of the portfolio's returns over a period of time. A higher standard deviation implies a riskier portfolio whose returns varied widely.
- Tracking Error – Tracking error is a statistical measure of how closely a portfolio tracks the performance of the index to which it is benchmarked and is generally defined by the annualized standard deviation of active returns.
- Upside Market Capture – A measure of the manager's performance in up markets relative to the market itself. A value of 110% suggests the manager performs ten percent better than the market when the market is up.
- Worst Return – Within a selected date range (e.g., 5 years), the manager's worst rate of return.