

From Georgia, A Peach of a Bank

By Suzanne McGee

The rich like to drive Maybach cars, carry Hermes bags and keep their money at . . . Atlantic Trust Private Wealth Management. In a recent survey by the Luxury Institute, a New York-based consulting firm, people with assets of at least \$5 million rated the low-profile Atlanta firm as the No. 1 wealth-management outfit in terms of quality, service and even “social cachet.”

That may have surprised JPMorgan, Merrill Lynch and the 32 others on the list, but it made complete sense to Jack Markwalter, Atlantic Trust's CEO. “This may be a crowded market, but very few firms get it right,” he says.

Atlantic Trust, a unit of mutual-fund giant Invesco, offers an intensely personal kind of service, and that starts at the top. Not so long ago, when Markwalter was helping to sign up as a client an Alabama family with five children, the family required that he meet all of them. In short order, in separate meetings, he had discussions with four of the kids. The fifth, somewhat of a global nomad, was harder to pin down. But one day, he got a call saying he could breakfast with her the next morning in London. He hopped on a plane, went straight to the Savoy, met with the daughter for three hours and then dashed home for a board meeting.

That kind of attention tends to pay off.

The firm's assets under management climbed more than 30% from January 2009 through this past October, to \$17.5 billion. About half the gains came from investment returns, the rest from inflows of money from existing and new clients. Atlantic gets the huge bulk of its new business through referrals by existing customers; it does absolutely no advertising.

Good wealth management isn't entirely about investing; the firm also provides broad financial planning, trust services and more. One woman with “several hundred million” turned to Atlantic Trust for help in giving the bulk of it away, company officials recount. They worked with her for a decade to establish guidelines and priorities and serve as the public face of her philanthropy. Atlan-



Jonathan Hollada for Barron's

Jack Markwalter of Atlantic Trust figures he can triple the business without losing its personal touch.

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tic Trust executives routinely showed up to cut ribbons and open buildings.

“Clients want someone to be their quarterback, even if they don’t give us all their assets, and that’s a role we can fulfill,” Markwalter says.

Invesco created Atlantic Trust by acquiring three small firms from 2001 through 2004—Boston-based Pell Rudman Trust, Chicago’s Stein Roe Investment Counsel and Whitehall Asset Management in New York—and melding them. The resulting company is still just a tiny part of Invesco, which oversees about \$654 billion. But to Markwalter, the link with Invesco is a competitive advantage in a field of stand-alone boutiques and financial conglomerates. Invesco’s mission—investing for clients—aligns very well with Atlantic Trust’s, he says. “Boy, it helps to have the mother ship and the parent company moving in the same direction with you.”

Despite the Invesco connection, only two of the roughly 100 investment manag-

ers that Atlantic Trust recommends are part of the Invesco lineup. One is Lyman Missimer, who runs the low-fee, highly regarded Invesco Liquid Assets Portfolio money market fund. The other is billionaire buyout and turnaround specialist Wilbur Ross, whose firm, WL Ross & Co., was acquired by Invesco in 2006.

Says Markwalter: “If we see other opportunities for our clients from Invesco that are special and unique, we’ll put them through the same due diligence that we would any other investment product.”

Like other investors in these times of record-low interest rates, Atlantic Trust’s clients are clamoring for income-producing investments. They’re looking for “an enhanced yield strategy with some growth potential and an above-average income stream,” says Chief Investment Officer David Donabedian. To him, that means energy-based master limited partnerships, floating-rate investment-grade corporate debt, and emerging-markets

debt securities, issued in local currency, rather than shaky U.S. dollars.

Markwalter, for his part, is following some lessons learned over a lifetime. Born and bred in Augusta, Ga., he grew up watching his father solve financial challenges for clients as a broker with Johnson Lane and its various successor firms. “Even before I went to school, I’d be at my dad’s office, pulling up the Coke stock quote on the Quotron,” he recalls. What impressed him just as much as the fancy technology was his father’s commitment: On family holidays, he’d spend time on the phone with clients each day. “I saw how helping your clients with these issues created a really special relationship.”

For Markwalter, the challenge now is to keep growing his company without losing the personal touch. “We can double or triple the business without changing that,” he maintains. If he’s right, you can expect to hear a lot more about Atlantic Trust in the years to come. ■

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