
Quarterly Investment Management Conference Call

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State of Affairs

What happened

- A volatile year
- Our results: what helped and hurt
- Long-term performance

What we expect going forward

- Key themes for 2012
- Asset allocation adjustment
- Strategic actions within portfolios

2011: A Volatile Year

Key Developments

Japan earthquake, tsunami, and meltdown kill 20,000 and cause \$300B in damages

Greece effectively defaults, while European leaders struggle to resolve broader issues

Leadership changes in PIIGS*, the European Central Bank, Egypt, Libya, al-Qaeda, and North Korea

Economic Implications

- Disruptions in automotive and technology supply chains
- Midyear global growth slows before year-end rebound
- Rebuilding costs exacerbate country's fiscal problems

- Bond yields spike in Italy and Spain
- MF Global collapses
- Despite S&P downgrade and supercommittee failure, global investors flee to U.S. stocks, dollar, and Treasuries

- European “technocrats” adjust unsustainable policies
- ECB reverses earlier tightening
- Middle East and Asian uncertainty increases
- Full long-term implications are unknowable

*Portugal, Ireland, Italy, Greece, and Spain

2011 Market Returns

Stock Market Gains	Jan – Apr	May – Sep	Oct – Dec	Full Year
U.S.	9.1%	(16.3)%	11.8%	2.1%
Stock Market Losses				
U.K.	11.4	(19.9)	8.4	(3.4)
Small/Mid-Cap	9.7	(23.1)	6.7	(9.9)
Australia	9.8	(25.4)	7.5	(11.9)
Japan	(4.1)	(5.1)	(4.0)	(12.6)
France	20.1	(30.7)	1.9	(15.2)
Germany	19.7	(33.4)	3.6	(17.5)
China	6.0	(30.0)	7.9	(19.9)
Brazil	2.2	(29.1)	8.5	(21.4)
Italy	22.7	(37.8)	(1.0)	(24.5)
India	(5.9)	(21.4)	(15.2)	(37.3)
Other Markets				
U.S. Treasuries	1.0	7.7	0.9	9.8
High-Yield Bonds	5.5	(6.8)	6.2	4.4
Developed Currencies	7.5	(7.6)	0.0	(0.1)
Emerging Currencies	5.0	(10.4)	(1.4)	(7.2)
Commodities	8.1	(20.1)	0.3	(13.3)

Returns in U.S. dollars for period from January 1, 2011 to December 31, 2011; currency returns based on equal-weighted average of 30 largest currencies.

Source: Bank of America Merrill Lynch, Bloomberg, Standard & Poor's

Our 2011 Results

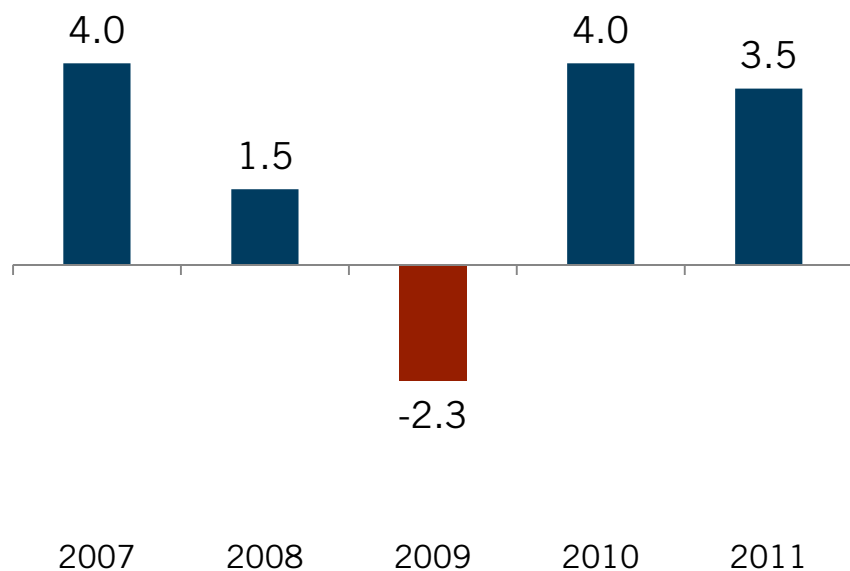
What we got right

- Corporate profits rose
- Global economy grew moderately
- After strong start, markets pulled back

What we got wrong

- Risk aversion drove bond yields lower
- U.S. dollar rose
- S&P 500 fell short of 1400 target

Global Real GDP Growth (%)



5-Year Treasury Yield



As of December 31, 2011.

Source: Global Financial Data, International Monetary Fund

Our 2011 Results

What helped our results

- Competitive returns in most portfolios versus benchmarks

What hurt our results

- Large cap security selection and cash weighting
- Protection against potential for rising yields and falling dollar
- Global investment approach

A disappointing year, falling well short of our historical results and standards.

	2011	Since January 2005 – Annualized	
		Return	Volatility
Bessemer Balanced Growth (ex-Hedge Funds)	(6.2)%	4.0%	10.4%
Global Balanced Growth Index	(1.9)	4.1	11.3
U.S. Stock/Bond Index (70/30)	4.5	3.8	11.6
U.S. Stocks	2.1	2.6	16.4
Non-U.S. Stocks	(13.7)	1.5	20.0

As of December 31, 2011. Past performance is no guarantee of future results.

Volatility is measured by annualized standard deviation of monthly returns. This figure is most meaningful over multi-year periods.

U.S. stocks represents S&P 500 Index. Non-U.S. stocks represents the S&P Global Large Cap ex-U.S. Index since 12/31/2010 and the MSCI EAFE Index prior to 1/1/2011. Please see the end of this presentation for a complete description of Bessemer's portfolios and benchmarks.

Bessemer Portfolios: Three-Year Performance Comparison

	Three-Years Ended – Annualized									
	2007		2008		2009		2010		2011	
	Return	Volatility	Return	Volatility	Return	Volatility	Return	Volatility	Return	Volatility
Balanced Growth (ex-HF)	9.8%	5.5%	(1.2)%	10.3%	0.8%	11.9%	2.0%	13.7%	8.3%	11.7%
Global Balanced Growth Index	9.7	5.3	(3.2)	11.4	(0.6)	14.0	0.6	15.3	10.4	12.6
Fixed Income	5.7	2.6	8.0	3.8	7.9	3.9	6.7	3.8	4.8	2.4
Barclays Gov't/Credit Index	4.4	3.1	5.6	5.0	5.8	5.2	5.6	5.3	6.6	3.5
Municipal Bond	4.0	2.2	3.8	4.2	5.3	5.1	4.7	5.6	6.3	4.3
Municipal Bond Index	3.9	2.4	1.9	5.0	4.4	6.0	4.1	6.3	7.5	4.4
U.S. Large Cap	9.2	7.7	(8.2)	15.8	(3.9)	19.2	(4.1)	21.9	(3.2)	21.4
S&P 500 Index	8.6	7.8	(8.4)	15.3	(5.6)	19.9	(2.9)	22.2	1.2	21.3
Non-U.S. Large Cap	13.5	9.7	(6.2)	15.5	(6.4)	18.7	(2.9)	23.3	0.6	23.2
Non-U.S. Large Cap Index	16.8	9.6	(7.4)	19.5	(6.0)	23.9	(7.0)	26.6	(1.9)	25.4
Global Small & Mid Cap	—	—	(0.9)	14.4	2.2	15.2	7.5	18.3	14.9	17.9
Global Small & Mid Cap Index	—	—	(11.8)	20.6	(5.5)	25.3	1.9	27.7	17.7	23.4
Global Opportunities	—	—	—	—	—	—	(2.4)	16.2	9.4	10.5
S&P Global LargeMidCap Index	—	—	—	—	—	—	(3.4)	24.9	12.8	21.0
Real Return	—	—	(3.8)	22.9	0.1	24.1	(2.8)	25.1	8.3	15.7
DJ-UBS Commodity Index	—	—	(8.6)	22.8	(3.8)	23.2	(3.7)	24.8	6.4	18.4

As of December 31, 2011, except for U.S. Large Cap and Non-U.S. Large Cap which are through September 30, 2011 (discontinued during the fourth quarter).

Past performance is no guarantee of future results. Volatility is measured by annualized standard deviation of monthly returns.

Returns for Fixed Income, Municipal Bond, U.S. Large Cap and Non-U.S. Large Cap reflect performance of Bessemer Common Trust Funds before the deduction of fees and expenses. Returns for Global Small & Mid Cap, Global Opportunities, and Real Return reflect performance of Old Westbury mutual funds after the deduction of all fees and expenses. Results also include the reinvestment of all dividends and capital gains. Please see the end of this presentation for a complete description of Bessemer's portfolios and benchmarks.

New Approach to Large Cap

Large Cap Core

Actions

- Transitioned Alex Christie (New York) and Alex Lloyd (London) into associate portfolio manager roles
- Constructed initial 60-stock portfolio
- Completed 40% of averaging-in process in first eight weeks

Expectations

- Reduce volatility through larger weightings of companies with lower-risk characteristics
- Limit losses in more difficult periods

Large Cap Strategies

Actions

- Hired Michael Crawford (London) to lead the team with associate portfolio managers Hank Hagey and Jeff Rutledge (New York)
- Allocated funds to Oldfield (deep value) and Sands (aggressive growth)
- Fully invested portfolio (Oldfield: 20 stocks; Sands: 40; Bessemer: 30)

Expectations

- Keep up with markets in more robust periods
- Deliver more consistent relative performance year-to-year

We are confident we can achieve our objectives to deliver strong absolute returns, outperform benchmark, and control volatility over full market cycles.

Key Themes for 2012

While Europe averts catastrophic collapse, the region endures a painful retrenchment and the euro falls further

Global economic growth pulls back from late 2011 strength

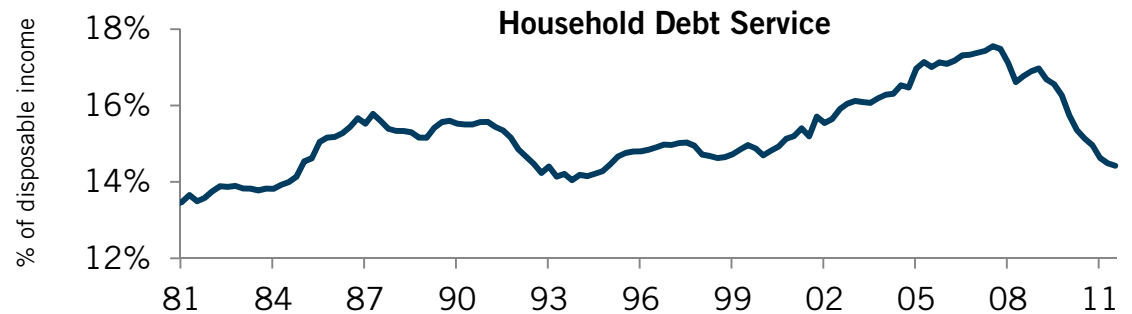
- Europe and Japan fall into recession
- Emerging markets fare better but fall short of prior growth targets
- U.S. records 2% growth, as weaker exports temper domestic improvement

Corporate profits remain strong, but rosy forecasts are reduced

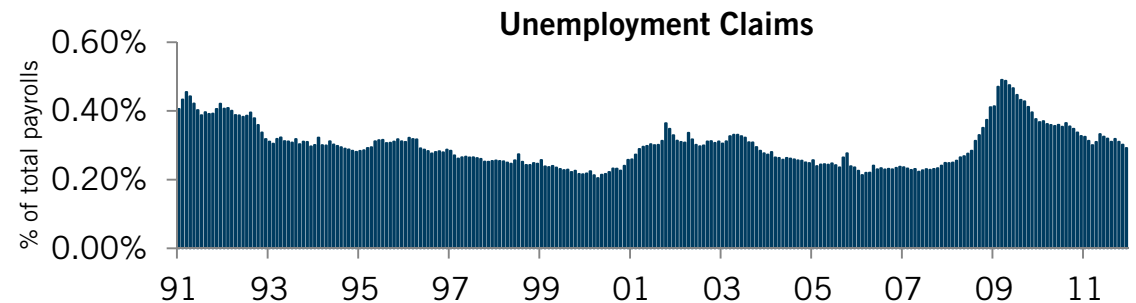
Capital markets make little headway in first half as some recent optimism fades, but valuations are cheap enough to support modest full-year gains

U.S. Economic Growth: Signs of Improvement

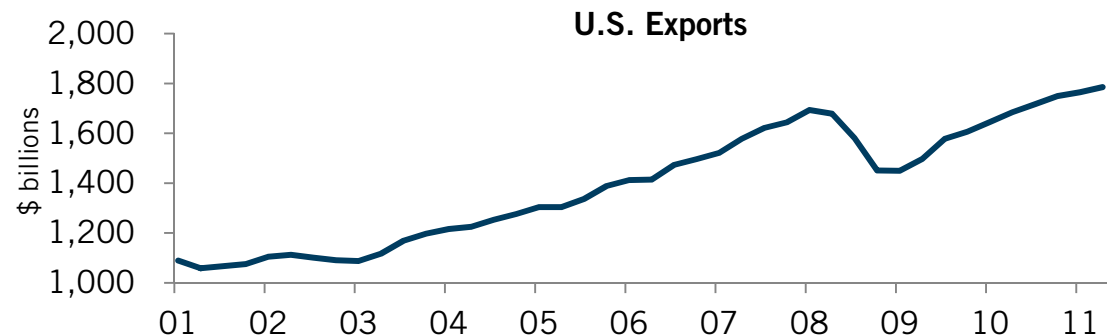
- Reduced consumer debt burden



- Improvement in job market



- Increased export activity



Household debt service and export data as of September 30, 2011; unemployment claims as of December 31, 2011.

Source: Federal Reserve, U.S. Bureau of Economic Analysis, U.S. Bureau of Labor Statistics

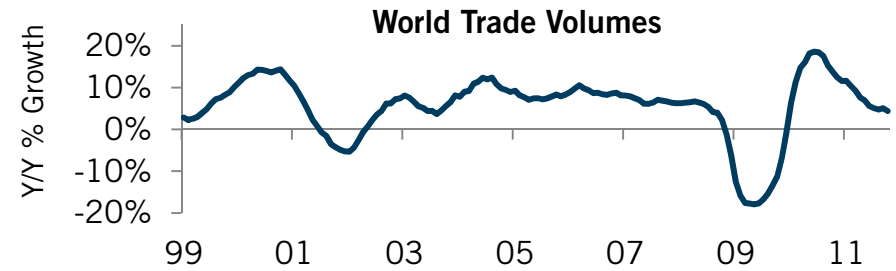
Global Economic Growth: Signs of Slowdown

- Leading indicators suggest global weakness

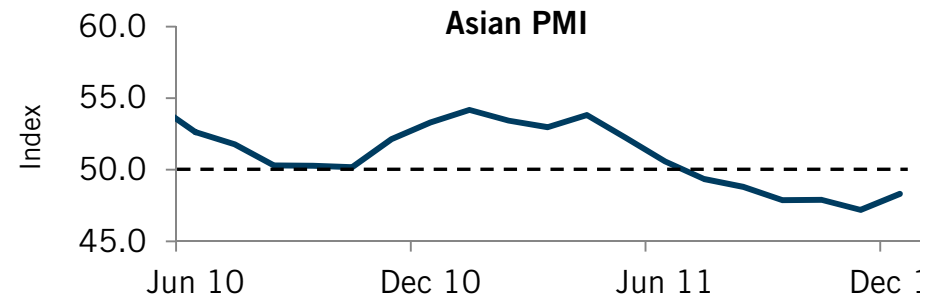
ECRI Growth Outlook

China	Slow/Average
Japan	Recessionary/Slow
Germany	Recessionary/Slow
U.K.	Slow
Brazil	Recessionary
Italy	Recessionary
India	Slow

- World trade is growing, but at slower pace



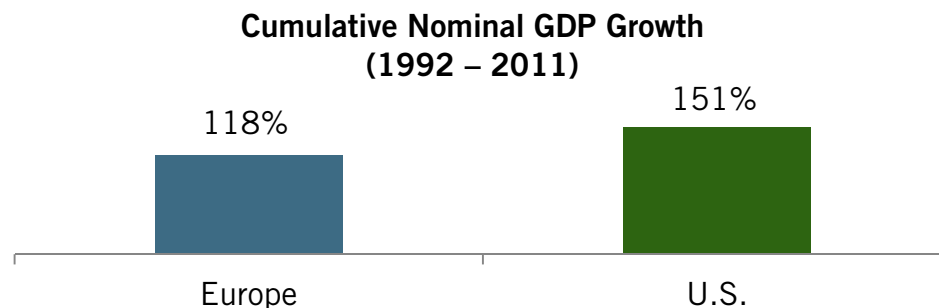
- Asian companies report contracting activity



ECRI and Asian PMI as of December 31, 2011; world trade as of October 31, 2011. Asian PMI reflects average of China, Singapore, South Korea, and Taiwan.
 Source: CPB Netherlands Bureau for Economic Policy Analysis, Economic Cycle Research Institute, Federal Reserve, Strategas Research Partners

European Problems Are Serious...

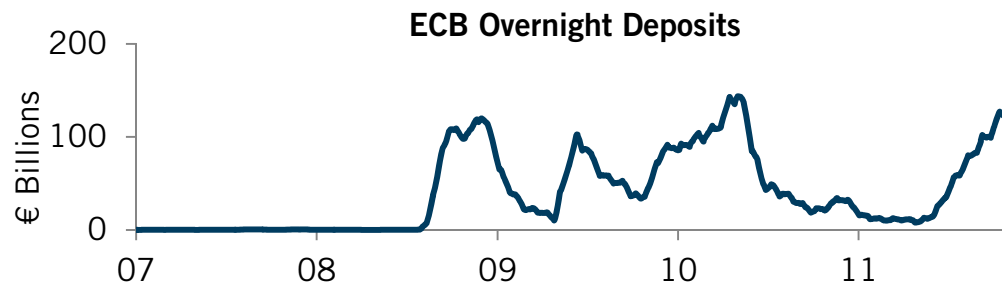
- Growth has been below par for some time



- Banks are highly levered

	Assets (\$T)	Tangible Equity/Assets	
		2007	2011
JP Morgan Bank of America Citigroup	\$6.4	3.2%	5.9%
Deutsche Bank BNP Paribas Credit Agricole	5.9	1.9	2.2

- Depositor mistrust is clogging system



Nominal GDP growth as of December 31, 2011; bank data as of September 30, 2011; ECB deposits as of December 31, 2011.

Source: European Central Bank, International Monetary Fund

...But Europe's Policymakers Have Made Some Progress

- Greece isn't representative of larger euro-zone countries

	Greece	Spain/ Italy	France/ Germany	U.S.
GDP (\$ Trillions)	\$0.3	\$3.8	\$6.4	\$15.1
Current Account (% of GDP)	(8.4)%	(3.6)%	2.3%	(3.1)%
Gross Federal Debt (% of GDP)	166%	99%	85%	100%
Budget Deficit (% of GDP)	(6.9)%	(3.3)%	(2.6)%	(6.4)%

- Summits and leadership changes have led to some improvement

Recent Actions

- Germany and France take lead in pushing Europe toward greater fiscal union
- Bailouts require recipient countries to give up degree of fiscal sovereignty
- New leaders take modest steps toward austerity

- Instead of fighting inflation, the ECB is now fighting deflation

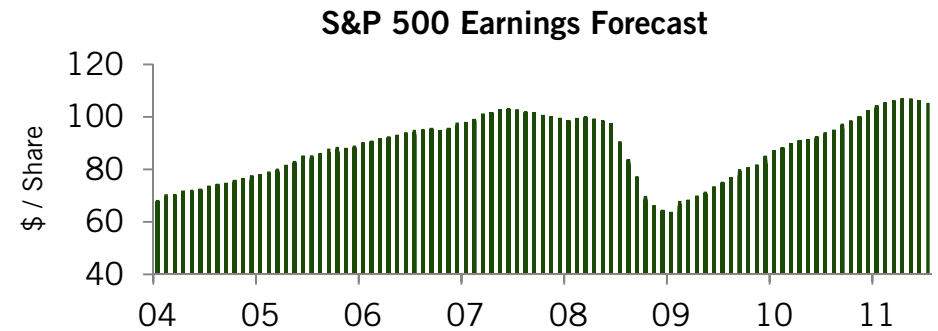
	July 2011	Dec 2011	Change
ECB Policy Rate	1.50%	1.00%	50 bp ease
ECB Lending to Credit Institutions (€ trillions)	0.4	0.9	103% increase
ECB Balance Sheet Assets (€ trillions)	1.9	2.7	43% increase

As of December 31, 2011.

Source: European Central Bank, World Bank

Corporate Profits Are Strong, but Retreating from Peaks

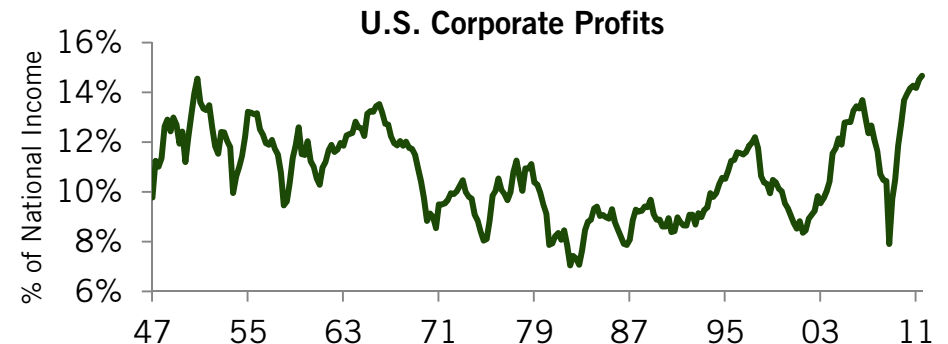
- Consensus profit estimates have moved slightly lower in last six months



- Signs of a more challenging environment

- Recent Earnings Misses**
- Oracle: Software license revenue shortfall
 - DuPont: Slower growth across industrial and consumer segments
 - Texas Instruments: Broad weakness in new orders
 - General Mills: Price hikes not offsetting increased food costs
 - Overall Q4/11 downward revisions were highest since 2001

- Corporate profits may have reached an unsustainably high portion of overall national income



Estimates as of December 31, 2011. S&P 500 earnings forecast reflects consensus estimates for forward 12 months. National income is defined as total wages, pension payments, profits, rents, and interest.

Source: Company reports, Federal Reserve Bank of St. Louis, Standard & Poor's

Attractive Valuations Across Global Equity Markets

Company	Industry	Country	P/E	P/CF	P/B	Dividend Yield
ENI	Energy	Italy	7.2x	3.1x	1.3x	6.4%
Exelon	Utilities	U.S.	13.8	6.3	1.9	5.1
General Dynamics	Defense	U.S.	8.7	5.8	1.7	2.8
Hitachi	Technology	Japan	8.0	5.5	1.3	1.5
Magna Intl	Auto	Canada	7.3	3.4	0.9	2.9
Microsoft	Technology	U.S.	8.9	5.4	3.7	3.1
Newmont Mining	Gold	U.S.	9.7	6.7	2.1	2.3
Sanofi	Healthcare	France	9.5	6.9	1.5	4.4
Schlumberger	Energy	Neth Antilles	13.6	9.3	2.8	1.5
Wharf Holdings	Real Estate	Hong Kong	10.6	13.6	0.6	2.8

As of December 31, 2011.

Weighing a Complex Landscape in Setting Allocation

Current: 11% overall allocation to cash; held in Large Cap Core





Reasons to add to equities now

- New ECB policies substantially reduce probability of collapse
- U.S. economic data has improved (jobless claims, purchasing manager surveys, new home traffic)
- Equity valuations are reasonable, especially versus bond yields

Reasons to emphasize capital preservation now

- European crisis continues (e.g., Italy bond yields too high, bank deposit flows signal stress)
- U.S. fiscal difficulties require meaningful action (e.g., entitlement reform, defense, tax code)
- Sovereign debt problems require greater global growth for resolution

Adjusting Our Allocations

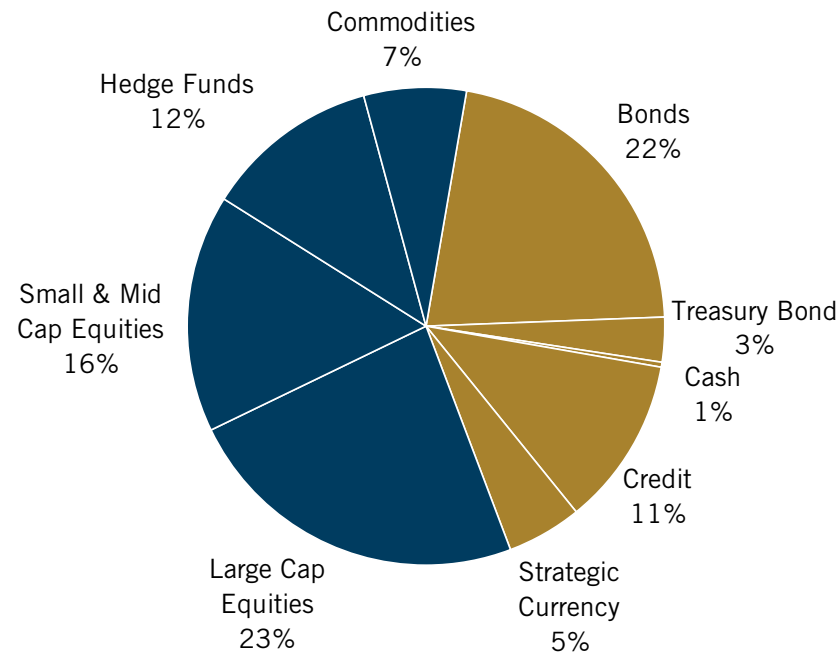
Action		Strategic Implication
▪ Add part of cash to stocks in Large Cap Core		Increase equity exposure
▪ Shift remaining cash to:		
– Global Opportunities		Increase exposure to defensive growth (e.g., credit, covered calls)
– Treasury Bond		Provide extra yield, likely to appreciate if risk aversion escalates
▪ Monitor key environmental factors		Stand ready to reallocate

Not an environment for bold directional moves.

Portfolio Positioning: A Balance of Protection and Growth

Growth attributes:

- Underweight bond exposure
- Overweight industrials, consumer discretionary, materials
- Exposure to commodities and hedge funds



Protective attributes:

- Overweight credit/underweight equities
- Emphasis on lower volatility equities
- Underweight financials
- Long treasury bond exposure
- Underweight euro

Portfolio objectives:

1. Provide upside participation if risk aversion moderates
2. Protect if fundamentals deteriorate

Reflects pro forma Balanced Growth allocation.

Strategic Actions within Growth-Oriented Portfolios

Large Cap Core	<ul style="list-style-type: none">• Underweight financials, overweight utilities• Build exposure to select China- and gold-related companies• Adjust equity weights to reduce volatility• Gradually deploy substantial cash position
Large Cap Strategies	<ul style="list-style-type: none">• Overweight strong secular growth opportunities in technology, consumer, and media companies• Build exposure to beneficiaries of energy demand growth• Invest in global Japanese companies trading at deep discounts• Underweight financials and richly priced consumer staples
Global Small & Mid Cap	<ul style="list-style-type: none">• Emphasize strong growth potential in technology and stable healthcare companies• Increase exposure to emerging-market small cap stocks• Underweight financials
Real Return	<ul style="list-style-type: none">• Increase exposure to energy companies, soybean complex, and precious metals• Reduce higher-than-normal cash position
Hedge Funds	<ul style="list-style-type: none">• Adjust manager lineup• Add to less directional strategies• Retain distressed and event equity exposures

Strategic Actions for Protective Attributes

Taxable Fixed Income	<ul style="list-style-type: none">• Shorten duration• Increase exposure to corporate and taxable municipal bonds to enhance returns
Municipal Bonds	<ul style="list-style-type: none">• Shorten duration• Focus on high-quality bonds secured by stable revenue sources
Global Opportunities	<ul style="list-style-type: none">• Reduce convertible bonds, increase high-yield bonds• Invest in mortgage-backed securities and emerging-market debt• Increase exposure to covered call strategies with attractive risk/return profile• Short euro
Strategic Currency	<ul style="list-style-type: none">• Focus on countries with low debt, manageable deficits, and attractive valuation• Exit South African rand because of rising current account deficit• Build position in Mexican peso

Summary

2011 was a highly volatile year in which our performance did not live up to our historical results and standards

- Large cap equities, bonds, and global exposure hindered our performance, overshadowing the competitive results of most of our portfolios
- New approach for large cap equities

We anticipate difficult but ultimately positive markets in 2012 as Europe continues to struggle, growth slows around the globe, and corporate profits moderate from peaks

Our current strategy for managing clients' irreplaceable capital:

- Maintain protective measures and exposure to growth potential
- Take strategic actions within portfolios to capture opportunities and manage risks
- Invest cash position in high-quality large cap companies, defensive growth strategies, and long treasury bonds

Past performance is no guarantee of future results.

2005 is the first full reporting period since Bessemer Trust's Chief Investment Officer assumed responsibilities for investments.

The **Bessemer Balanced Growth Portfolio** represents a model portfolio comprised of U.S. Large Cap, Non-U.S. Large Cap, Global Opportunities, Global Small & Mid Cap, Real Return, Fixed Income, and Strategic Currency. Investments cannot be made directly in this model portfolio. Relative weightings vary over time. Returns for Old Westbury Global Opportunities Fund, Old Westbury Global Small & Mid Cap Fund, Old Westbury Real Return Fund, and Bessemer hedge funds of funds are after all fees and expenses. All other returns reflect performance of Bessemer Common Trust Funds and are before fees and expenses. The results also include the reinvestment of all dividends and capital gains.

Prior to October 2008, Non-U.S. Large Cap was named International and operated under a different investment strategy and broader capitalization range.

Global Small & Mid Cap Fund returns began April 5, 2005. Real Return Fund returns began April 28, 2005. Global Opportunities Fund returns began November 28, 2007. Bessemer hedge funds of funds returns began July 1, 2005 for the Bessemer Balanced Growth and Growth portfolios and February 1, 2008 for the Bessemer Balanced portfolio. Alternative investments, including Bessemer hedge funds of funds, are not suitable for all clients and are available only to qualified investors.

The **Global Balanced Growth Index** represents a mix of the Barclays Capital U.S. Government/Credit Index (25%), S&P 500 Index (15%), S&P Global Large ex-U.S. Index (10%), S&P Global MidSmallCap Index (14%), S&P Global LargeMidCap Index (14%), Real Assets (7% consisting of Dow Jones-UBS Commodity Index [5%] and Barclays Capital U.S. TIPS Index [2%]), Hedge Funds (10% consisting of S&P Global Broad Market Index (Hedged) [7%] and Barclays Capital U.S. Government Index [3%]), and 3 Month Treasury Bills (5%) after 12/31/2010 and a mix of the S&P 500 Index (25%), S&P Mid Cap 400 Index (10%), MSCI EAFE Index (14%), MSCI World Small Cap Index (5%), MSCI Emerging Markets Index (3%), HedgeFund.net Fund of Funds Aggregate Index (10%), Dow Jones-UBS Commodity Index (2.5%), Barclays Capital U.S. Government/Credit Index (25%), Barclays Capital U.S. TIPS Index (2.5%), and 3 Month Treasury Bills (3%) before 1/1/2011.

The **U.S. Stock/Bond Index (70/30)** is a composite of 70% S&P 500 Index and 30% Barclays Capital U.S. Government/Credit Index.

The **Non-U.S. Large Cap Index** represents the S&P Global Large Cap ex-U.S. Index after 12/31/2010 and the MSCI EAFE Index before 1/1/2011.

The **Municipal Bond Index** represents the Bank of America Merrill Lynch 1-12 Year Municipal Bond Index after 12/31/2010 and the Barclays Capital Municipal Bond Index before 1/1/2011.

The **Global Small & Mid Cap Index** represents the S&P Global MidSmallCap Index after 12/31/2010 and the MSCI World Small Cap Index before 1/1/2011.

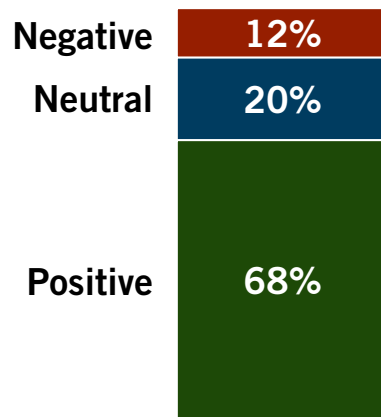
Sources: Bank of America, Barclays Capital, Dow Jones, Federal Reserve, HedgeFund.net, Morgan Stanley Capital International, Standard & Poor's, UBS

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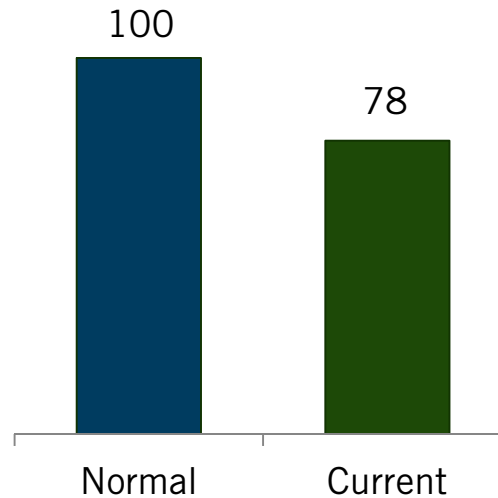
ENHANCING PRIVATE WEALTH FOR GENERATIONSSM

CEO Survey: Positive on Company, Concerned about Economy

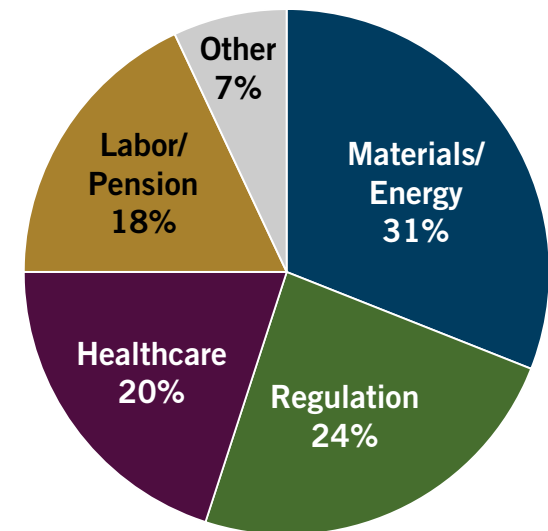
Company Growth Outlook
(% of respondents)



Economic Outlook
(confidence index)



Greatest Cost Pressure
(% of respondents)



Data reflects fourth quarter 2011 CEO Economic Outlook Survey based on 130 member CEOs conducted October 31 – November 18, 2011.

Source: Business Roundtable

Four Additional Areas Capable of Driving 2012 Returns

U.S. Housing Market:

Potential boost to economic activity

- Construction at record lows
- Unsold inventories finally falling
- Affordability near record highs, with credit availability improving slightly

China:

Potential growth setback ripples globally

- Leaders are seeking to end investment bubble and cut inflation
- Relationship with U.S. becoming more complex as trade rhetoric intensifies (e.g., steel, textiles, autos) and political calendars align in late 2012

Middle East/North Africa:

Potential armed conflict causes oil spike, recession

- Iran, third largest oil exporter, cited by IAEA for aggressive nuclear pursuit; threats to Strait of Hormuz
- Sunni/Shiite tensions rise across region
- “Arab Spring” hopes dashed so far in Egypt, Libya, and Syria

Interest Rates:

Potential for yield swings

- Stimulative policies, high government debt, and gradual rise in inflation suggest higher bond yields
- However, increases in investor anxiety and deflationary pressure could push yields lower in U.S., Germany, and Japan
- Each 1% move in yields causes value of 10-year Treasury bond to change by 8%