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SANIBEL ISLAND, FL

## **Sanibel Captiva Trust Company Hosts Investment Seminar**

SANIBEL ISLAND, FL (January 28, 2011) – The Sanibel Captiva Trust Company hosted their annual Investment Outlook seminar on Friday, January 28 at The Sanctuary Clubhouse.

Founder and CEO Al Hanser welcomed over 150 guests and Co-Chairman Chip Lesch moderated the panel discussion of Trust Company portfolio managers and financial analysts.

The panel answered a series of prepared questions about the current financial climate before opening the floor to the audience. Lesch described the theme of the Trust Company's investment strategy with the slogan: "Investing with great care, not great fear."

Senior Portfolio Manager Tim Vick, author of *How to Pick Stocks Like Warren Buffett*, addressed the current valuation levels of the U.S. Stock Market. "Given the rally of 2009 and 2010, the stock market is fairly valued," said Vick. "The rate of return for individual securities (in 2011) will be their earnings."

Senior Vice President Craig Holston said the Trust Company is continuously monitoring the global economy for signs of inflation. "We are seeing pockets of inflation. We are buying companies that have pricing power and can pass on commodity costs."

During the flight to safety in 2008, investors poured into U.S. Treasuries and other fixed-income securities, pushing yields to historically low levels. The consensus among the panel is that there is a significant bubble in fixed-income. "Treasuries are still overvalued," said Senior Portfolio Manager Jim Young. "We don't find them attractive compared to equities."

Chief Investment Officer Dick Pyle noted the hazards of investing in the municipal bond market. U.S. cities, having lost so much revenue from the real estate downturn, are expected to raise taxes and cut government services as they scramble to avoid default on their bond issues. "Our view is that we will see scary headlines in the municipal bond market over the next few years," said Pyle. "We would rather stick with corporate bonds and stocks. Selection is the key with municipal bonds. There may be opportunities, but it is a little early to play that game."

"It makes more sense to be in high-grade corporate bonds," added Vick. "There is better cash flow and less chance of default. Dividend-achieving stocks are bond substitutes with much less risk."

Trust Company President Terry Igo tackled the question of investment in foreign markets. “Just under half of the earnings in the S&P 500 come from overseas, and we invest in individual U.S. companies who have exposure to emerging markets,” said Igo.

The panel’s estimates for 2011 ranged from 3.25-4% GDP growth, 8-12% return for the S&P 500, and 3.75-4.5% yield on 30-year U.S. Treasuries.

The panel answered questions on the European Union’s currency crisis, India, REITs, and other topics on the minds of investors to conclude the seminar.

“Companies are just people,” said Hanser, in closing. “We are blessed to have so many bright people working here at the Sanibel Captiva Trust Company.”

Guests expressed their appreciation as they chatted after the seminar in the Sanctuary clubhouse. “They do a very good job of giving clients an inside look at how they work together to make investment decisions,” said Virginia Stringer.