THIRD QUARTER 2011

OUR VIEW

A QUARTERLY NEWSLETTER FROM SABAL TRUST COMPANY

"A DIFFERENT KIND OF RECOVERY"

Uncertainty and volatility exert their influences in a variety of ways across global economies and financial markets. The removal of all risks associated with investing is impossible and it is imperative that investors embrace the concept of a volatile financial landscape and adhere to proven, risk-dampening portfolio strategies.

CURRENT ENVIRONMENT

The economy continues to emit mixed signals. Growing business confidence and sizable cash holdings on corporate balance sheets are positive. However, 1st quarter GDP growth slowed to 1.8% and there are signs of further deceleration due to elevated commodity prices and the lingering effects of the job and housing markets. Stubbornly high unemployment remains entrenched and recent momentum is not sufficient to compensate for the scale of overall job losses. Furthermore, geopolitical tensions, Chinese inflationary concerns, as well as Greece and Euro-zone fiscal stress could pressure the global economic recovery.

INFLATIONARY PRESSURES

Shorter-term inflation expectations remain muted due to excess manufacturing capacity, lack of wage pressures, and soft demand. Fears of higher commodity and input costs sparking inflation are mitigated by the composition of the U.S. economy, which is less commodity dependent than at any point in history. Longer-term, loose fiscal policy, accommodative monetary policy, and overheated emerging market economies could put upward pressure on inflation. ***The Federal Reserve describes short-term inflationary pressures as "transitory", which means short-term inflation is insufficient to warrant a policy shift.*** Only time will tell if their interpretation is correct.

QUANTITATIVE EASING 2 (QE2)

Last fall, due to concerns about the fragility of the underlying economy, the Federal Reserve pulled additional accommodative monetary policy levers by injecting $600 billion through the QE2 program. By flooding the system with money, policy makers intended to promote sustainable economic growth. Today's primary concern involves the economic impact when this stimulation is removed since the injection of massive amounts of capital into the markets tends to have distortive effects. ***While the removal of QE2 poses fundamental risks, it is unlikely to push the economy back into recession.***

SABAL TRUST
INVESTMENT COMMITTEE

Heather R. Boone, CFA

Lucas J. DeVicente, CFP®

William A. Eickhoff, CFA

Charles H. Kard, CFA

Gerard J. Lachnicht, CFA

Jennifer R. McClintic, CFA

G. Lowe Morrison, CFA

G. Bruce Mullin CFA, CFP®

Scott L. Pieper, CFA

Sabal Trust Company

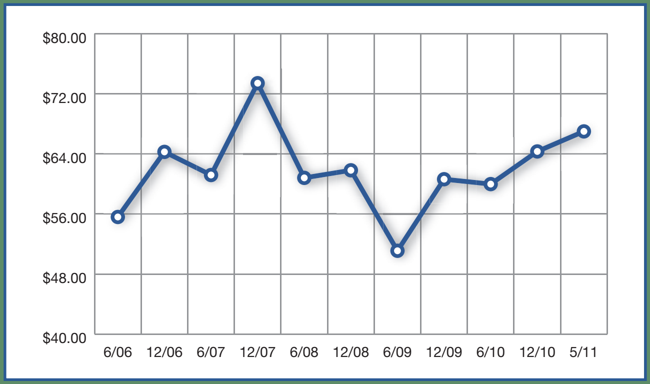
HERE TODAY. HERE TOMORROW.

sabaltrust.com

STOCK FOCUS: PROCTER & GAMBLE CO.

Stock Symbol: PG
Market Capitalization: $184B
Dividend Yield: 3.0%
Long Term Earnings: 9%
2011 P/E: 17.6x
Return on Equity: 20.4%

Founded in 1837, Procter & Gamble (PG) is the world's largest manufacturer of a wide variety of consumer products. Top line revenue and volume growth remain healthy as PG takes advantage of its global distribution network, solid relationships with suppliers, and excellent brand reputation. Financially sound with a conservative capital structure and a strong balance sheet, PG generated $16B in cash flow from operations last year and continues to increase its healthy dividend, which is consistent with the Sabal Trust dividend strategy.



SOVEREIGN CREDIT RATINGS

S&P assigns the coveted AAA credit rating to only 19 of 127 countries in their sovereign debt universe. Recently, S&P revised their outlook of U.S. debt from "stable" to "negative" due to ever-growing budget deficits and the absence of a cohesive strategy to address the ballooning public debt. The U.S. is the only AAA rated country on a "negative" watch. ***The nation's declining fiscal profile is accentuated by the fact that our fiscal peers continue to implement austerity measures while domestically, we continue to lack the political will to develop comprehensive deficit reduction strategies.***

DIVIDEND ORIENTATION

During uncertain times, investment proof statements confirm the validity, strength and prudence of a given strategy. Dividends provide the ultimate signal on the future health and prospects of a company and Sabal Trust's dividend-oriented philosophy remains focused on fundamentally sound, transparent companies that generate excellent cash flows and possess high earnings predictability. ***Furthermore, we identify companies committed to returning capital to shareholders through higher dividends.*** Over the last twelve months, 30 out of 32 companies held in the Sabal Core Equity Strategy increased their dividend payouts.

FIXED INCOME STRATEGIES

Bonds are a critical component of any diversified portfolio, and individual fixed income holdings should remain focused on capital preservation, risk reduction, and muted volatility. Avoid over-extending maturities or reducing average credit quality to improve yield. The tenure of the current low interest rate environment remains in question, but at some point interest rates will experience a series of upward adjustments. ***As a result, fixed income portfolios should be structured to protect against price volatility due to rising interest rates.***

OUTLOOK

We continue to slowly move toward a healthier part of the economic cycle as the markets undergo a transformation toward more moderate, sustainable growth. Against this backdrop, the fundamental nature of risk continues to evolve. ***For investors to take advantage of these changing dynamics, they must adjust their expectations accordingly and remain focused on their longer-term investment goals and objectives.***

ST. PETERSBURG

200 Central Avenue
Suite 220
St. Petersburg, Florida
33701
727-824-8700

SARASOTA

1800 Second Street
Suite 103
Sarasota, Florida
34236
941-556-0760

TAMPA

4211 West Boy Scout Boulevard
Suite 190
Tampa, Florida
33607
813-229-2180

THE VILLAGES

1060 Lake Sumter Landing
The Villages, Florida
32162
352-751-2199

Sabal Trust Company

HERE TODAY. HERE TOMORROW.

sabaltrust.com

INVESTMENT MANAGEMENT TRUST & IRA SERVICES ESTATE SETTLEMENT