

**Investors Trust**  
Investment and Trust Services

# An Introduction to Investors Trust Company

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Your Goals. Our Knowledge.

## An Introduction



# Our History

Investors Trust Company is a North Carolina-based independent, fee-only, state-chartered trust company that provides investment management, financial planning, and trustee services to affluent individuals, business owners, families, endowments, and foundations.

Since 2004, our mission has been to establish long-term relationships by consistently delivering highly personalized services. We take time to know our clients' unique goals and concerns. By putting time, effort, and care into every interaction we are able to construct specific long-term plans to protect and grow our clients' wealth and investments.

## Our Team

Each member of our team is uniquely skilled in a range of fiduciary, investment, wealth management, and operational disciplines.



Jim Fine  
Chief Executive Officer



Craig Lewis, CFA  
President



Robert G. (Bob) Fontana, CFA  
Chief Investment Officer



Shelly Gelberg  
Client Service  
Account Manager



J. Deeds Kienker, CFA  
Investment Analyst



Eileen Marnell  
Client Service  
Account Manager



Ginger Rouse  
SVP and Relationship Manager



Charles Wright  
AVP, Middle Office Manager



Michael Zuber, CFP®, CTFA, AEP®  
SVP, Wealth Management Advisor

## Our Clients

We are selective about the relationships we accept. We prefer to accept new client mandates at a measured pace, enabling us to sustain our high service standards. Our clients:

- Seek a trusted advisor at a small, personal firm
- Wish to work directly with primary decision-makers, as opposed to a “sales rep” who relays advice from decision-makers located in a distant city
- Appreciate a transparent process with no hidden relationships or concealed fees
- Understand the importance of setting policies and procedures to protect clients’ wealth and uphold the rigorous standards of auditors and examiners

### High Net Worth Individuals



### Foundations & Endowments



### Business Owners & Entrepreneurs



### Multi-Generational Families



## Investment Process

The presence of volatility is a constant in investment markets. Our investment process acknowledges this reality. After understanding your goals, we will craft an investment policy statement (IPS) to document our strategy for managing your assets. Based on the IPS, we will establish a strategic asset allocation. When appropriate, our investment strategy committee will tactically shift allocation weightings to securities and asset classes in order to realign the portfolio with the intended level of risk, and to seize the opportunities provided by market imbalances. We analyze the impact of those allocation decisions and report back to you with ongoing updates, which allow us to measure investment performance relative to the achievement of your goals as outlined in the IPS.



# Investment Management

Our approach to developing investment solutions is rooted in the belief that managing risk is as important as generating returns. Utilizing disciplined fundamental analysis and quantitative research, our experienced investment professionals develop investment solutions that are customized for each client based on their unique objectives and risk tolerance. The fundamental pillars of our process are:

## Client Goals and Constraints

It is our job to create an investment portfolio that is right for you. Together we build an Investment Policy Statement which provides us with an investment mandate, and you with a clear line of sight to your goals. Your Investment Policy Statement serves as a roadmap, which is reviewed and adapted frequently to your changing needs and circumstances.

## Strategic Asset Allocation

We begin the investment selection process by considering a variety of asset classes available to investors. These investment choices are analyzed to determine how different asset allocations

can minimize risk and maximize returns across a spectrum of investor profiles. Ultimately, we diversify client investments among selected asset classes to mitigate risk. In constructing a strategic allocation we consider:

- Global macroeconomics – economic conditions, geopolitical influences, and growth rates throughout the world
- Capital market assumptions – return and risk assumptions for various asset classes
- Secular and cyclical market dynamics – changing market trends

## Tactical Adjustments

Investment markets are constantly changing. In the short term, asset prices are influenced by a variety of factors. We monitor various market cycles, valuations, returns, trends, and a host of other variables to identify opportunities to increase or decrease exposure to a particular segment of the market. Implementing these tactical decisions seeks to bring enhancements to performance, reduction in risk, or both.



## Equity Investments

As an active equity manager, our investment goal is to exceed the performance of the S&P 500 over a full market cycle without subjecting the portfolio to undue risk. Our equity research begins with an initial screen of mid- and large-cap companies that exhibit business stability and industry leadership, consistently grow earnings in excess of their peers, maintain strong balance sheets, and have reasonable valuations as defined by the price of their stock relative to earnings and growth rates. We manage the following distinct strategies:

**Growth Equity** – Seeks capital appreciation using a “growth at a reasonable price” (GARP) investment approach. This approach looks for stocks whose growth prospects are not yet reflected in the stock price, as determined by its price/earnings to growth rate (PEG) ratio, and whose risk/reward characteristics are attractive. Stocks typically have four consecutive quarters of sales and earnings per share growth, a market capitalization of at least \$5 billion, and ample trading liquidity.

**Blue Chip Dividend** – Seeks stocks of companies that pay current dividends, and secondarily, offer some potential for capital appreciation. Stocks typically come from a universe of the 1,000 largest U.S. stocks, with a value orientation. Stocks selected typically have at least ten years of consecutive dividend payments, a market capitalization of at least \$5 billion, and ample trading liquidity.

**Equity Select** – Seeks a balanced combination of capital appreciation and dividend income by blending what we believe to be the most attractive equities from our Growth Equity and Blue Chip Dividend strategies. The strategy will contain both growth and value stocks and will be “tilted” toward our areas of highest conviction via position weightings.

## Fixed Income Investments

Our taxable fixed income strategy seeks to maximize current income and minimize principal risk by investing in higher quality bonds, generally A-rated or higher. We employ a combination of U.S. Government, Government Agency, and corporate bonds. Our tax-free strategies focus on investment grade, state-specific municipal bonds based on the individual needs of each client.

For both our taxable and tax-free fixed income portfolios, we base our investment decisions on analysis of three essential valuation parameters: yield spread, yield curve, and credit analysis.

**Yield Spread** – Our portfolio weighting of U.S. Government versus corporate or municipal issues is largely dependent on our analysis of “yield spread,” which is the difference in the interest rate paid on government bonds versus other corporate debt. When the difference in yield increases beyond its historical norm, we tend to increase our corporate bond holdings. Conversely, we tend to invest more heavily in government and agency issues when the yield spread narrows. Taking advantage of periodic spikes or compressions in spreads can increase investment returns and maximize current income potential.

**Yield Curve** – The “yield curve” refers to a linear graph that plots the relationship between a bond’s yield and its various maturities. This graph typically has an upward slope, showing yields increasing as maturities increase. Yield curve analysis seeks to identify the



range of maturities of a given bond type that offers the optimal yield after consideration of our rate outlook. Portfolio construction based on this analysis seeks to increase overall return while managing risk.

**Credit** – Credit analysis addresses the likelihood that bond issuers will be able to repay their debt. It is a risk management tool, seeking to ensure that any bond purchased collects its coupons and ultimately repays its principal. It is a critical analytical tool when making decisions about the individual bonds to purchase for a portfolio. Credit analysis seeks to minimize risk.

## Wealth Planning

Goals-based planning is central to our approach. Once we have a clear understanding of your objectives, we engage in a sophisticated and comprehensive discovery process to analyze your current financial situation. It is an authentic relationship where advisor and client delve into goals, aspirations, and family dynamics. Once complete, the analysis helps us provide recommendations to align your retirement accounts, investments, and tax strategies with your long-term goals and build a plan to reach those goals.

### Our Competencies

Financial Statement Analysis

Risk Management

Retirement Planning

Education Planning

Investment Management

Income Tax Planning

Estate Planning

### Our Planning Process



## Trust Services

Investors Trust is an independent North Carolina-chartered trust company specializing in Corporate Trust Administration.

**Accountability to beneficiaries is the most important component to any trust relationship. We deliver a comprehensive, locally-managed corporate trust administration solution to clients whose needs require the services of a professional fiduciary.**

Trusts can be an effective way to manage, preserve, and eventually transfer assets in accordance with your wishes, during your lifetime and for future generations. When you establish a trust, it is important to choose a trustee who knows you and your unique situation, and who has the experience to manage the complicated investment, tax, and administrative duties of a trustee. In general, a trustee is responsible for the legal

administration of the trust, the investment and management of the trust assets, recordkeeping, and the filing of tax returns. Trustees balance the interests of the various trust beneficiaries, distribute funds according to the wishes of the grantor of the trust, pay bills where appropriate, and act as the custodian of the trust assets.

The complexity of these duties is one reason clients choose Investors Trust Company to serve as their independent corporate trustee.

At Investors Trust, our professionals can serve as sole trustee, co-trustee, or agent for trustee for revocable, irrevocable, and charitable trusts.



# Investors Trust

Investment and Trust Services

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