



CALDWELL TRUST COMPANY

PERSONAL • TRADITIONAL • INDEPENDENT

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INVESTMENT LETTER

Market Implications of a
New Administration

CALDWELL CARES

Caldwell Trust Company Honored
as 2024 Champion for Children by
Boys & Girls Clubs of Sarasota and
DeSoto Counties

PROFILE

Melissa Caldwell's Vision,
Heart, and Legacy with
Caldwell Trust Company

Building Wealth | Preserving Legacy
The Way It's Meant To Be

Our second-quarter 2024 newsletter recognized the value of being informed about political developments and their potential impacts on markets and sectors. Now, as we await the final details -- and ultimate implementation -- of new U.S. policies under the second Trump administration, we will examine those initiatives that are top of mind for investors and consider their expected benefits and risks.

Cabinet Appointments

Arguably, the Treasury secretary is the most important cabinet position for the financial markets. While yet to be confirmed, Wall Street welcomed Scott Bessent's nomination for this role. He is characterized as "thoughtful and a good listener" who will prioritize economic and market stability.

Reduced Regulations and Government Cutbacks

There is broad anticipation of a market-friendly regulatory environment over the next four years. To foster business growth, the new administration plans to continue rolling back regulations across various sectors, including energy and finance. Government cutbacks may be among the first actions taken in 2025 since many regulatory changes do not need Congressional approval (see graphic). While these actions may boost short-term economic activity, they raise concerns about environmental sustainability and financial stability due to potential oversight reductions.

Fiscal Policies, National Debt, and the Fed

Proposed tax cuts and increased spending on national security are expected to widen the federal deficit. The national debt, pegged at 120% of GDP at the end of Q3 2024, could grow further, leading to higher interest rates and potential crowding out of private investment, which may hinder long-term economic growth. Further, the new administration's fiscal policies may lead to tensions with the Federal Reserve, especially if inflationary pressures prompt the Fed to maintain or raise interest rates, counteracting the administration's growth objectives.

Taxes

Trump promised to make the 2017 tax cuts permanent for households, small businesses, and the estates of wealthy individuals -- most of which are due to expire at the end of 2025. He has also talked about further cutting the corporate tax rate from its current 21% to as low as 15%. These cuts are intended to stimulate investment and economic activity; the risk is that they exacerbate income inequality and increase the federal deficit.

Trade Policies and Tariffs

The incoming administration says it plans to implement sweeping tariffs on all imports, with higher rates for specific countries. These measures aim to protect domestic industries and reduce reliance on foreign imports. However, they may lead to increased consumer prices (if higher costs are passed on by the importers who pay the tariffs) and potential trade conflicts, which could disrupt global supply chains. Many experts see the tariff plan as a negotiating tool to change the behavior of trading partners rather than a general policy related to creating revenue.




Immigration

Given its significant role in the 2024 campaign, the president-elect's proposed immigration plan for his second term will be a major focus in 2025. He pledged a substantial escalation in deportation efforts, aiming to remove millions of undocumented immigrants from the United States. The plans have sparked considerable debate, given the impact on a wide range of industries that rely on immigrant labor. By some estimates, labor disruptions in sectors like agriculture, construction, and services could reduce GDP by mid-single-digit percentages.

Implications for Investors

Financial markets have reacted optimistically to the election outcome, anticipating favorable conditions for sectors like energy, finance, and technology due to expected tax cuts and deregulation. However, the potential for increased inflation, interest rates, and trade tensions could introduce volatility and affect investor confidence. We will be carefully following developments out of Washington for the precise policies that are prioritized and implemented.

Trump's Path to Enacting Policies

	 Executive action alone	 Congressional legislation required	 Likely court challenge
Possible action			
Tariffs			
20% tariff on all imports	●		●
60% tariff on Chinese imports	●		●
200% tariff on imported vehicles from Mexico	●		●
Fed policy			
Demote or replace Jerome Powell*	●		●
Enact more presidential control over rates		●	●
Deporting undocumented migrants			
Deploy National Guard	●		●
Invoke Alien Enemies Act of 1798	●		●
Reinstate Trump policies invalidated by Biden	●		●
Deregulation			
Reverse Biden-era limits on energy projects	●		
Exit the Paris Climate Accords	●		
Ease regulation on cryptocurrency industry**	●	●	
Taxes			
Extend 2017 tax cuts		●	
Lower corporate tax rate from 21% to 15%		●	
Eliminate federal income tax		●	

Sources: Bloomberg News reporting, The Peterson Institute for International Economics, The USC Sol Price School of Public Policy, Cato Institute, Center for Strategic and International Studies

* Naming a new Fed chair requires Senate confirmation

** In some cases Securities and Exchange Commission action may ease regulations without new legislation

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Caldwell Trust Company Honored as 2024 Champion for Children by Boys & Girls Clubs of Sarasota and DeSoto Counties



Lee and Suzanne Thacker with Boys & Girls Clubs alumni Shaneeka Foster with her husband Charles, and children Charles, Isabella, Samuel and Christina



Kelly and Melissa Caldwell with Boys and Girls Clubs of Sarasota and DeSoto Counties Sierra Morris, Former Club Member, and Bill Sadlo, President and CEO

The evening of [event date] at the Boys & Girls Clubs of Sarasota and DeSoto Counties was filled with joy, gratitude, and celebration as Caldwell Trust Company was recognized as the 2024 **Champions for Children** honoree. Adding to the excitement, Caldwell employee **H. Lee Thacker** received special recognition for his outstanding dedication to supporting the organization's mission.

Held at The Lee Wetherington Boys & Girls Club, the event brought together community leaders, supporters, and young achievers to celebrate a shared commitment to empowering the next generation. Caldwell Trust Company was celebrated for its three decades of unwavering community engagement, philanthropic efforts, and impactful partnerships that uplift children and families in Sarasota and DeSoto Counties.

A highlight of the evening was the acknowledgment of **H. Lee Thacker**, whose personal contributions and tireless volunteer efforts have significantly impacted the Boys & Girls Clubs. From mentoring youth to advocating for programs that enhance educational opportunities, Lee's dedication embodies Caldwell Trust Company's mission of community stewardship.

"Lee exemplifies the values we hold dear at Caldwell," said Kelly Caldwell. "His selfless work inspires us all and showcases the power of one individual to create meaningful change."

The event also featured inspiring testimonials from club members, highlighting the transformative impact of programs made possible by community champions like Caldwell Trust Company and advocates like Lee. Attendees enjoyed an elegant dinner, uplifting entertainment, and heartfelt stories of resilience and success from the children whose lives have been forever changed.



Photo Credit: Harry Sayer



The Caldwell Family (from left to right): Brooks, Kelly, Melissa, Chase, and Zachary

Thanks to co-MCs Hallie Peilet Young of From the Heart Fundraising and Sierra Morris, a former club member for helping raise the most funds to date at this annual event. And as the evening drew to a close, the audience was reminded of the power of community and the importance of investing in future generations. Caldwell Trust Company and H. Lee Thacker's recognition as Champions for Children is a testament to their shared dedication to building brighter futures.

Caldwell Trust Company extends its deepest gratitude to the Boys & Girls Clubs of Sarasota and DeSoto Counties for this incredible honor and thanks to all who joined in the celebration. Together, we will continue to inspire greatness in our youth and strengthen our community.

"In reflecting on the evening, I am filled with heartfelt gratitude. Being named Champions for Children is an incredible honor. At Caldwell, we strive to support our community and empower our youth to reach their highest potential. Such recognition is a reflection of our collective commitment to making a difference,"

R.G. "Kelly" Caldwell, Jr.

Together, we will continue to empower youth to achieve their full potential.

Photo Credit: Nancy Guth



Caldwell Trust Company's VP of Marketing and Communications, Sheryl Vieira, and Senior VP and Trust Officer, Sonya Kristie, with Boys and Girls Clubs of Sarasota and DeSoto Counties Senior VP of Strategic Initiatives, Michael J. Doyle



Photo Credit: Nancy Guth

Caldwell family members Molly Kraut, Melissa Caldwell, and Jamie Kraut

PROFILE

Melissa Caldwell's Vision, Heart, and Legacy with Caldwell Trust Company



Melissa Caldwell, REALTOR® at Sotheby's International Realty and Board Member of Caldwell Trust Company

While the name Kelly Caldwell is synonymous with Caldwell Trust Company, another remarkable figure has quietly made significant contributions to its success—Melissa Caldwell, Kelly's wife. Her journey, marked by professional achievements and a deep commitment to community service, has solidified her place as a trusted board member at Caldwell Trust Company.

Melissa Caldwell's professional career is a testament to her adaptability and determination. Her journey has taken her through various roles in marketing, sales, and management, allowing her to gain a comprehensive understanding of business operations. With each step, she has demonstrated her ability to contribute to Caldwell Trust Company's growth.

In addition to her business acumen, Melissa is a Realtor with Premier Sotheby's International Realty, where she continues to build lasting relationships and provide clients with expert guidance. Her dedication to excellence in real estate further complements her role at Caldwell Trust Company, enhancing her ability to understand and meet the unique needs of both clients and the broader community.

But Melissa's contributions go beyond her professional career. She is deeply committed to community service and philanthropy, regularly volunteering her time and expertise to local organizations and charitable causes. Her active involvement reflects her belief in giving back to the community and supporting the people and places that have shaped her life. Melissa's commitment to community betterment resonates with her broader personal and professional philosophy.

As a board member at Caldwell Trust Company, Melissa plays a vital role in shaping the company's strategic direction and governance. Her involvement ensures that Caldwell Trust continues to uphold the highest standards of wealth management, trust services, and client care. Her vision aligns seamlessly with the mission of the company, which is not just about managing wealth but also educating and empowering individuals and families to secure their financial futures.

"Melissa Caldwell brings a wealth of knowledge and a genuine commitment to the well-being of our clients and the community," said Kelly Caldwell, CEO of Caldwell Trust Company. "Her presence on the board adds a unique perspective and ensures that we continue to evolve and offer the best possible services."

Under her leadership, Caldwell Trust Company has flourished as both a financial institution and a community partner, and Melissa's continued efforts will undoubtedly contribute to the company's growth and success for years to come.



Wendy Fishman, Executive Vice President and Senior Trust Officer at Caldwell Trust Company, alongside Melissa Caldwell



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