



CALDWELL TRUST COMPANY

PERSONAL • TRADITIONAL • INDEPENDENT

Building Wealth | Preserving Legacy

September 2022 Newsletter | Volume LXXIII



Chase, Zachary, Brooks, Melissa, Kelly and Roland Caldwell welcome you to the newest Caldwell Trust Company office at 27 S. Orange Avenue in downtown Sarasota

IN THIS ISSUE

GROWING FOR THE FUTURE – Caldwell Trust Company family and clients are pleased to have the renovations of the Prominent Wilson Building complete

INVESTMENT LETTER – Are Things Different This Time?

NEW HIRE – Nolan Wiggs, Trust Associate

GROWING FOR THE FUTURE

Caldwell Trust Company family and clients are pleased to have the renovations of the Prominent Wilson Building complete



CALDWELL TRUST COMPANY MOVES INTO NEW DOWNTOWN SARASOTA OFFICE TO ACCOMMODATE GROWTH – HEADQUARTERS REMAIN IN VENICE

Historic structure at 27 South Orange Avenue is now the Caldwell Trust Company Building. Stately one-story facility is now home to the long-established trust company's Sarasota-based staff



Founders Roland Caldwell and R.G. "Kelly" Caldwell Jr.

Caldwell Trust Company moved into its new downtown Sarasota office at 27 South Orange Avenue, just before Memorial Day — but one thing is not new and will never change. That's the company's commitment to its core values, said R. G. "Kelly" Caldwell, Jr., CEO and president. "We will always be personal, traditional and independent, and we will remain faithful to 'What We Believe,' our founding principles. We have a plaque with these principles on the exterior of both our Sarasota office and our headquarters in Venice, where we see them every day," he said.

Formerly known as the Cain Building, later the Cain-Wilson Building, the location is now the Caldwell Trust Company Building. The 10,000 square foot building with a 2,000 square-foot portico will accommodate the steady growth the company has undergone since its founding in 1993, Kelly Caldwell said. In 2015 the company built an 11,500 square-foot headquarters building at 1400 Center Road, Venice, for its expanding operations. By its 25th anniversary three years later, the company had reached the milestone of \$1 billion in assets under management.

Caldwell Trust Company has maintained a Sarasota presence since 1998 when it opened an office in Palmer Ranch. In June 2009 it established its local office at 1561 Main Street but rapidly outgrew the space, according to Caldwell. "We began searching for a place that could accommodate our needs now and into the future. We found the perfect solution at 27 South Orange Avenue," he said. Designed by the acclaimed architect Thomas Reed Martin and completed in October 1936, the historic structure will now be known as the Caldwell Trust Company Building.

"We're pleased that our new home has been part of Sarasota's history for 86 years. Too often we see beautiful buildings demolished, only to be replaced by something with less esthetic appeal than the original structure," Caldwell said. "We intend to combine the legacy of stability that began with Martin's design with our own strong reputation, carrying both legacies far into the future."

Renovations to the structure include replacing the existing windows with hurricane-proof windows, upgrading the front doors, updating the fountains, and enhancing the building's facade.

Extensive interior renovations were made and included a high-tech, state-of-the-art facility for Caldwell's Sarasota staff. The facility features traditional design with some contemporary touches and cutting-edge technology among the eight offices, three conference rooms and a stately board room.

Nokomis-based contractors Eric DeVaughn and Sam Green of S & E Renovations, Inc., oversaw all construction-related aspects of the transition while Holly Logan, ASID, of HV Logan Design LLC, created the interior design. Outside, Hazeltine Nurseries created the design and installed the landscaping and fountain.

"This is the building you'd want if you were going to be here forever—and Caldwell Trust Company plans to be around for a long, long time," Kelly Caldwell said. We are proud to be the next occupants of this historical Sarasota building, and we look forward to serving our clients for many, many years to come.

Caldwell Trust Company, is an independent trust company chartered in the state of Florida, with offices in Venice and Sarasota that has been expertly navigating clients toward their financial goals since 1993. The foundation for our success is our relationship-focused approach that is built upon our unwavering commitment to long standing cardinal principles, practices, and precedents. This mentality is always present and provides a true point of difference, as it shapes the way we care for our clients, support our team, honor our shareholders and tie ourselves to the community. We proudly go the extra mile to provide this level of personalized care because we firmly believe it's the way that trust services are meant to be. The firm currently manages over \$1.5B in assets for clients primarily in Florida. We serve, we participate, and we make an impact as community-based decision makers. Our commitment to community relationships resonates throughout our entire organization and the results are seen and celebrated through our Caldwell Cares program.



Eric DeVaughn and Sam Green of S & E Renovations



Roland, Kelly and sons, Brooks, Zachary and Chase



R.G. "Kelly" Caldwell Jr. and Jan Miller, Senior Executive Vice President & Trust Officer



In times of market turbulence and uncertainty, it is human nature to look to the past for perspective, if not for answers. The perspective gained from history is useful, but astute investors know that every situation is unique and requires a response appropriate to the circumstances. To that end, let us look at today's top issues, how they have played out in the past, and how they may be different today.

Bear Markets – The benchmark S&P 500 index officially closed in bear market territory on June 13th when its decline from January highs exceeded the traditional definition of a 20% pullback. It traded even lower mid-June before staging a jagged rally in July that narrowed losses to 13.3% by month-end.

Does this mean that the bear market for US stocks is over, or was this a short reprieve and even lower lows are ahead? Here, we hope to defy history. According to Ned Davis Research, a bear market for the S&P 500 has occurred 26 times since 1928, lasted a mean 289 days and suffered a mean decline of 35.6%.

Today, the course of inflation and the Federal Reserve's actions to combat it are at the top of the list of factors we are watching to gauge the possible length and severity of this most recent bear market.

Inflation – Inflation erodes consumer purchasing power and damages business' bottom lines; it restricts buying decisions to only essential items and impedes potentially profitable investments. Currently, inflation is rampant around the globe. The US Consumer Price Index (CPI) report for June showed domestic inflation of 9.1% year over year. Increases of this magnitude were last seen in 1981. Thus, there is an entire generation of investors who have not experienced the level of inflation that is currently plaguing world economies.

The Federal Reserve is battling these stubbornly high prices with a series of interest rate hikes of equally historic proportions. The 0.75% increase coming out of the July 27th FOMC meeting was the second of that size in as many months. Prior to 2022, there had not been a 0.75% move since 1994; two in a row is unprecedented in modern Fed history.

Central bank interest rate moves are designed to ease inflation by dampening aggregate demand in the economy. But inflation is also a problem of too little supply. Today's inflationary pressures are differentiated from the past by supply shortfalls in energy, snarled supply chains, and labor market shortages.

Looking at these in turn, the energy shock may be easing as energy prices have come down markedly. As recently as June 9th, a barrel of West Texas Intermediate crude oil was \$121.52. On August 1st it was \$93.74. As a result, consumers are seeing welcome reductions in the price of a gallon of gas at the pump. Global supply chain conditions – as measured by a new index devised by the Federal Reserve Bank of New York – are showing a trend of steady improvement. That said, they remain at historic high levels. Finally, the dearth of workers to fill post-pandemic job openings persists in many industries. The US economy continues to add a robust number of jobs each month and the unemployment rate stands at only 3.6% as of the labor report for June. That is precisely where it was hovering in the months before the outsized disruptions caused by COVID-19,

Recession – Arguably the most hotly debated issue in the media and among market pundits is **The R-Word** – recession. Two notable events in July only increased the volume of this debate, First, short-term interest rates moved higher than longer-term rates (we compare the readings on the 2-year vs. the 10-year Treasury maturities) on a prolonged basis. This “yield curve inversion” occurred on July 5th and remains inverted as of this writing. Second, the initial report on Gross Domestic Product (GDP) for 2Q 2022 showed the US economy contracted by 0.9%, following a decline of 1.6% in the first quarter.

Both conditions – an inverted yield curve and two consecutive quarters of GDP contraction — are long-standing rules of thumb that indicate a recession. Recessions are an unavoidable part of the economic cycle. That said, they do not have to be protracted or devastating. The aforementioned strong labor market and resilience of the US consumer would argue that this current slowdown will, in hindsight, be one of shorter duration and intensity.

In summary, the various elements that make up the economy and the investment environment have not changed, but their levels, trends, and dynamics are unique to our times. One could argue that today’s uncertainties and imbalances are outside by historic standards. This underscores our call for a patient approach while looking for investment opportunities. We are managing client portfolios with respect for the risks but optimism about one aspect of investment history: the US equity markets march higher over the decades despite all manner of crises.

NEW HIRE | Nolan Wiggs, Trust Associate



Nolan Wiggs has joined Caldwell Trust Company as Trust Associate. He assists clients with managing all aspects of their financial planning, including investing, budgeting and estate and trust matters.

Nolan obtained the Truist Emerging Leaders Certification in 2021 and in 2019, he obtained the BB&T Leadership Institute Certification, he completed the Southeastern Trust School program in Buies Creek, North Carolina, and the Campbell Business School’s Leadership Development program. He was the Treasurer and scholarship chair during his college career as a member of the Kappa Sigma Fraternity – Sigma Phi Chapter.

A native of Wilson, NC, Nolan graduated with honors from Campbell University with a Master of Business Administration, a Bachelor of Business Administration (B.B.A) degree, with a major in Trust and Wealth Management, and a minor in Financial Planning.

Nolan relocated to Sarasota and resides on Siesta Key where the surf calls and the sun shines on a daily basis.

To contact Nolan, email nwiggs@ctrust.com or call 941-926-9336.

Under Construction JANUARY 2022



GROWING FOR — THE FUTURE —

As Caldwell Trust approaches \$2 billion in assets under management,
accommodating your needs continues to be our top priority.



Renovations Complete MAY 2022



GROWING FOR — THE FUTURE —

As Caldwell Trust approaches \$2 billion in assets under management,
accommodating your needs continues to be our top priority.





CALDWELL TRUST COMPANY

PERSONAL • TRADITIONAL • INDEPENDENT

CHARTERED PRIVATE TRUSTEE
PROUDLY SERVING OUR COMMUNITY SINCE 1993

BOARD OF DIRECTORS

R. G. "Kelly" Caldwell Jr., CEO, Chair

John S. Booth, III

Christopher N. Gray

Tramm Hudson

MaryAnn C. Kraut

Rita Lowman

Marge Maisto

J. Mack Reid

Thomas Stuhley

H. Lee Thacker Jr.

James R. Woods

PROUD MEMBERS OF

Charlotte County Chamber of Commerce

Greater Sarasota Chamber of Commerce

Manatee Chamber of Commerce

North Port Chamber of Commerce

Venice Area Chamber of Commerce

CONTACTS

Scott Antritt, scott@ctrust.com

Alan H. Blair, alan@ctrust.com

Tony Blasini, tblasini@ctrust.com

R. G. "Kelly" Caldwell Jr., kelly@ctrust.com

Alisa Craton, acraton@ctrust.com

Wendy Fishman, wendy@ctrust.com

Reppard Gordon, rgordon@ctrust.com

Gina B. Jordan, gjordan@ctrust.com

Sonya Kristie, sonya@ctrust.com

Jan Miller, jan@ctrust.com

Leonard Nagel, leonard@ctrust.com

Gail Neujahr, gneujahr@ctrust.com

Sandra L. Pepper, sandy@ctrust.com

Donna Scaglione, donna@ctrust.com

H. Lee Thacker Jr., thacker@ctrust.com

Sheryl Vieira, sheryl@ctrust.com

Nolan Wiggs, nwiggs@ctrust.com

VENICE OFFICE

1400 Center Road, Venice, FL 34292

941.493.3600 • Toll Free: 800.338.9476 • Fax 941.496.4660

SARASOTA OFFICE

27 S. Orange Avenue, Sarasota, FL 34236

941.926.9336 • Toll Free: 877.926.9336 • Fax 941.926.9335

www.ctrust.com • info@ctrust.com

BUILDING WEALTH | PRESERVING LEGACY

