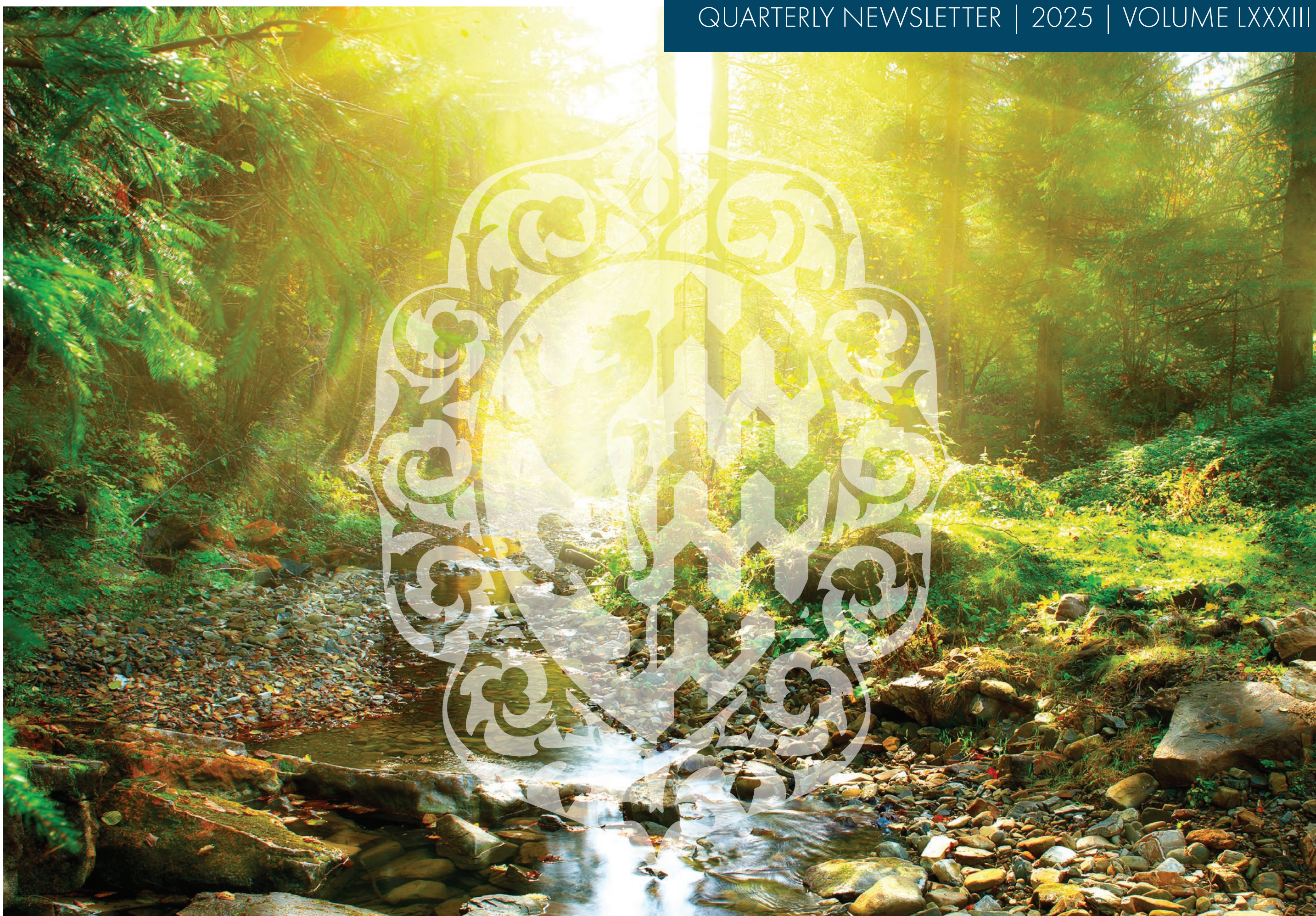
CALDWELL TRUST COMPANY

PERSONAL • TRADITIONAL • INDEPENDENT

QUARTERLY NEWSLETTER | 2025 | VOLUME LXXXIII



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INVESTMENT LETTER

Investment Insights: How Global Trade Shapes Your Portfolio

In simple terms, international trade is like a giant marketplace. This global marketplace connects buyers and sellers worldwide, allowing nations to specialize in what they do best and trade for what they need. As a result, international trade is a driving force behind economic growth, innovation, and prosperity. It helps shape the world economy and influences the lives of individuals and businesses alike.

Of course, the myriad mechanics of trade are far from simple and investors' current focus on trade - specifically tariffs - underscores the importance of gaining a deeper understanding of this vital engine of global economic growth. This article provides background information regarding relevant economic theories, trade policy tools and their impacts, recent developments, and practical ideas for staying informed and adaptable.

OVERVIEW OF GLOBAL TRADE TODAY

According to the United Nations, global trade reached a record $33 trillion in 2024, with about 21–22% of all goods and services produced internationally being traded each year. Trade includes goods (manufactured products, raw materials, food) and services (shipping and logistics, tourism, business services, education). Despite this record high for global interconnectedness, several factors have created an environment of uncertainty and disruption. These include geopolitical tensions, supply chain bottlenecks, and the management of the strong rebound in trade for both goods and services after the pandemic.

ECONOMIC THEORIES AND DEBATES

The theory of comparative advantage dates back over two centuries and argues that countries can benefit from trade by exporting the goods they can produce most efficiently and importing those that they cannot. Examples include China's manufacturing advantage given its low labor costs, or South Africa's mining advantage given its mineral wealth. In today's world, many economists argue that focusing solely on comparative advantage results in the exploitation and depletion of a country's resources.

Another relevant theory is free trade vs. protectionism. Free trade lowers prices for consumers by encouraging countries to specialize in what they do best and by increasing competition among producers. This drives down costs and improves the quality of goods and services. It also opens access to new markets, allowing businesses to expand their customer base and achieve greater economies of scale.

On the other hand, protectionist measures such as tariffs and quotas are often advocated to shield domestic industries from foreign competition, helping preserve jobs and support local businesses, especially those struggling to compete internationally. From a national security perspective, tariffs have been justified to safeguard essential industries and resources where reliance on imports would jeopardize a country's defense. However, while protectionism can safeguard certain jobs in the short term, it may also lead to higher prices, less innovation, and reduced efficiency over time.

TRADE POLICY TOOLS AND THEIR IMPACT

Major trade policy tools include tariffs, quotas, subsidies, non-tariff barriers (such as licensing requirements and product standards), and trade agreements. Tariffs and quotas protect domestic industries by raising the cost or limiting the quantity of imports, but they can also increase consumer prices and risk retaliation from trading partners. Subsidies support local producers by lowering their costs, while trade agreements aim to reduce barriers and expand market access, fostering economic growth and cooperation.

RECENT TRENDS, CHALLENGES AND OPPORTUNITIES

In 2024, about two-thirds of international trade occurred without tariffs due to principles of universal equal treatment and trade agreements. However, this is changing in 2025 as tariffs are a principal component of U.S. President Donald Trump's broader strategy for national security and economic growth during his second administration.
As of this writing, trade policy uncertainty remains elevated, but the escalating trade tensions and tariffs are driving noticeable shifts in global investment patterns, including:

- **Supply chain diversification and regionalization, a trend known as "nearshoring" or "friend-shoring,"**
- **A decline in cross-border investment,**
- **A shift in investor sentiment and portfolio allocation, with a growing focus on sectors resilient to trade disruption,**
- **An increased emphasis on risk management.**

These shifts reflect a broader move toward risk aversion, supply chain flexibility, and strategic adaptation in a rapidly changing global trade environment.

IMPLICATIONS FOR INVESTORS

In our globalized world, it is important for investors to understand trade policies and be aware of potential changes in the government's trade policy. Such changes have important implications for corporate profits and growth by affecting the demand for and prices of goods and services.

Furthermore, investors need to pay attention to more than just company or industry fundamentals and expand their understanding to include cross-border dynamics and the risks of trade frictions and geopolitical uncertainty. These dynamics underscore the importance of portfolio diversification across geographies and industries to mitigate risks and capitalize on evolving opportunities.

CONCLUSION

The need for adaptability and strategic planning in a changing global trade environment cannot be understated. At Caldwell Trust Company, we study global trade dynamics so that we do not just react, but interpret, prepare, and position client portfolios to provide essential diversification.

EXPANSION

Caldwell Trust Brings Its Legacy-Driven Approach to Vero Beach

Caldwell Trust Company, a trusted name in independent trust services across Florida, is planting new roots in Vero Beach. This move marks a thoughtful expansion that reflects both a long-term vision and a deep respect for the company's legacy.

Founded in 1993 in Venice, Florida, Caldwell Trust has grown steadily over the years. Today, the firm manages over $2 billion in assets and employs a team of 50 dedicated professionals. But growth, as CEO Kelly Caldwell points out, has never been about expansion for its own sake.

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Caldwell Trust Company Chairman, President & CEO, R.G. "Kelly" Caldwell and David L. Osgood, AWMA®, Vice President & Market Director

"We don't grow just to grow," R.G. "Kelly" Caldwell says. "We grow with purpose, just like my father taught me."

That sense of purpose traces back to Roland Caldwell, the company's founder, who built the firm on values shaped during the Great Depression. In his 2023 memoir, Kelly shares how his father's deliberate and thoughtful mindset continues to guide the company. The decision to open a new office in Vero Beach came after years of careful planning and was designed to align with the firm's mission.

Every detail—from selecting the right office space and landscaping to assembling a strong leadership team—was handled with intention and care.

A TEAM BUILT ON TRUST AND COMMUNITY

The new Vero Beach office is led by David Osgood, a financial industry veteran with more than 30 years of experience. Known for his client-centered approach and strong community ties, David brings the kind of leadership that aligns perfectly with Caldwell Trust's relationship-focused culture.

He is joined by Jamie Bryan, Assistant Vice President & Trust Officer, and Rebecca Lachance, Trust Associate. Jamie offers over two decades of expertise in banking and financial services, and he is known for his consistent, personalized client service. His role at Caldwell Trust Company is a continuation of that commitment, providing trusted guidance built on clarity and care.

Rebecca brings a strong technical background with more than 16 years of experience in project and systems management. Her skills in software configuration and implementation contribute to operational efficiency and client-focused service. Her attention to detail and ability to navigate complex systems make her an invaluable part of the team.

Beyond their professional accomplishments, both David and Jamie are deeply involved with United Against Poverty, a local nonprofit organization dedicated to education, job training, and community support. Their involvement reflects Caldwell Trust Company's broader commitment to service, not only to clients but also to the communities they serve.

R.G. "Kelly" Caldwell joins David L. Osgood, AWMA®, Jamie Bryan, and Rebecca Lachance in displaying the company's "What We Believe" bronze sculpture. Soon to be affixed to the new Vero Beach office, the piece symbolizes Caldwell Trust Company's core values and enduring commitment to its founding principles.

A QUIET START WITH A CLEAR VISION

The Vero Beach office began operations with a soft opening on July 1, 2025. The team is preparing for an official grand opening celebration in October. This expansion is more than just a geographic move; it is a clear reflection of Caldwell Trust Company's belief in growing with purpose and integrity.

"We aspire to be like the old community banks. Trusted, stable, and truly local" says Kelly. "That takes the right people, not just more assets."

With a strong team in place, a loyal client base, and a steady, thoughtful approach to growth, Caldwell Trust Company continues to demonstrate that careful planning and deep-rooted values make a lasting impact. In Vero Beach, the firm is not just opening a new office. It is continuing a legacy that has been built over decades—with relationships, trust, and service at its core.

Caldwell Trust Company's newly opened Vero Beach office—expanding our footprint and commitment to serving Florida's growing communities.

To contact our team at our new Vero Beach office, please call 772-213-9144.

CALDWELL CARES

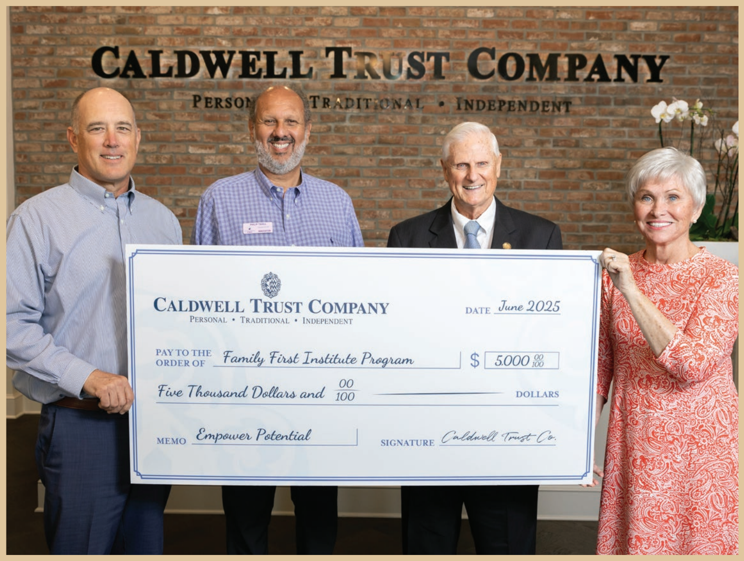
Strengthening Families: Caldwell Trust Board's Annual Giving Supports Family First Institute

Caldwell Trust Company has reaffirmed its commitment to community support with a $5,000 contribution to the Family First Institute, a transformative initiative led by Philip Tavill, President and CEO of Children First. The gift reflects both the company's dedication to charitable giving and its belief in the power of education and empowerment to build stronger communities.

The donation includes a $5,000 grant from Caldwell's Board of Directors through its Trustee Annual Giving Program, matched dollar-for-dollar through a federal matching initiative—doubling the impact of the investment.

Launched five years ago by Children First, the Family First Institute provides life-changing workshops for parents and caregivers, focusing on parenting skills, early childhood development, career readiness, English language proficiency, and financial literacy. The program's goal is to give families the knowledge and support they need to create healthy, stable, and successful lives.

"We're honored to support the Family First Institute and the outstanding leadership of Philip Tavill," said R.G. "Kelly" Caldwell, Chairman, President & CEO of Caldwell Trust Company. "Their focus on building strong, resilient families directly aligns with our mission and values."



R.G. "Kelly" Caldwell, Caldwell Trust Company Chairman, President & CEO, Philip Tavill, CEO, Children First, and Caldwell Trust Company Board Members, James "Mack" Reid, and Marge Maisto.

The donation was recommended by Caldwell's Board Giving Committee, which was created in 2014 to select nonprofit partners that reflect the company's core values in education, healthcare, and social services. The committee met four times this spring before selecting the Family First Institute for its measurable outcomes and deep community impact.

Board member Marge Maisto, a longtime volunteer with Children First, spoke passionately about the program. "This initiative changes lives," she said. "Supporting it means investing in the future of our entire community."

Since its inception, Caldwell's Trustee Annual Giving Program has donated $43,000 to nonprofits across the region. Past recipients include organizations such as the Sarasota Military Academy, State College of Florida, Take Stock in Children, All Faiths Food Bank, and the Boys & Girls Clubs of Sarasota & DeSoto Counties.

This latest gift will help the Family First Institute expand its outreach, reaching more families with the resources they need to overcome challenges and thrive.

PROFILE

Honoring Jim Woods: 20 Years of Service, A Legacy of Leadership

R.G. "Kelly" Caldwell, Caldwell Trust Company Chairman, President & CEO, and Caldwell Trust Company Board Member, Jim Woods.

At Caldwell Trust Company, we believe in honoring people who embody integrity, commitment, and community spirit. This spring, we had the privilege of celebrating one such individual - James R. "Jim" Woods - for 20 years of outstanding service on our Board of Directors.

To recognize Jim's extraordinary contributions, Caldwell Trust made a $5,000 donation in his honor to the **Loveland Center,** a nonprofit that supports individuals with intellectual and developmental disabilities. The gift not only acknowledges Jim's leadership but also reflects his lifelong dedication to serving others, especially those most in need of advocacy and inclusion.

Jim joined our board in 2005, bringing with him decades of experience in higher education, healthcare, and civic leadership. His résumé reads like a roadmap of service: Executive Officer of the Venice Campus of Manatee Community College, Dean at Hillsborough Community College, President of the Bon Secours Venice Hospital Foundation, and a former member of the Venice City Council.

But what stands out even more than his professional accomplishments is the heart Jim brings to every role he serves. He's been involved with countless nonprofits and civic boards—from Rotary Futures to United Way to the Venice and North Port Chambers of Commerce. His continued service through the Venice-Nokomis Rotary Club and recognition with the "Doc" Matson Community Service Award only further illustrate his deep local impact.

Jim's journey with Caldwell began in a way that felt uniquely "Caldwell." After retiring early to care for his wife during a health crisis, he was invited to join the board by our co-founder Jack Meyerhoff—over a casual lunch at Bogey's, no less. The Caldwell family, sitting just a few tables away, welcomed the idea wholeheartedly. Jim described the moment with warmth: *"I was very pleased to be asked to join. I consider the people of Caldwell Trust Company to be a part of my extended family."*

Over two decades, Jim has served on both our Audit and Trust Committees, offering invaluable wisdom and guidance. As President & CEO Kelly Caldwell, Jr. shared, *"Jim is the embodiment of servant leadership. His influence on our company and this community is immeasurable. He leads with grace, intelligence, and heart."*

Jim's reaction to the donation in his honor was, unsurprisingly, full of humility. *"It has been a true privilege to serve alongside such committed professionals. I'm deeply touched by the donation to the Loveland Center. Supporting their mission means a great deal to me."*

From all of us at Caldwell Trust Company: thank you, Jim, for your two decades of service, your steady leadership, and your unwavering dedication to the greater good. We are proud to call you a colleague, a mentor, and a cherished member of the Caldwell family.

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