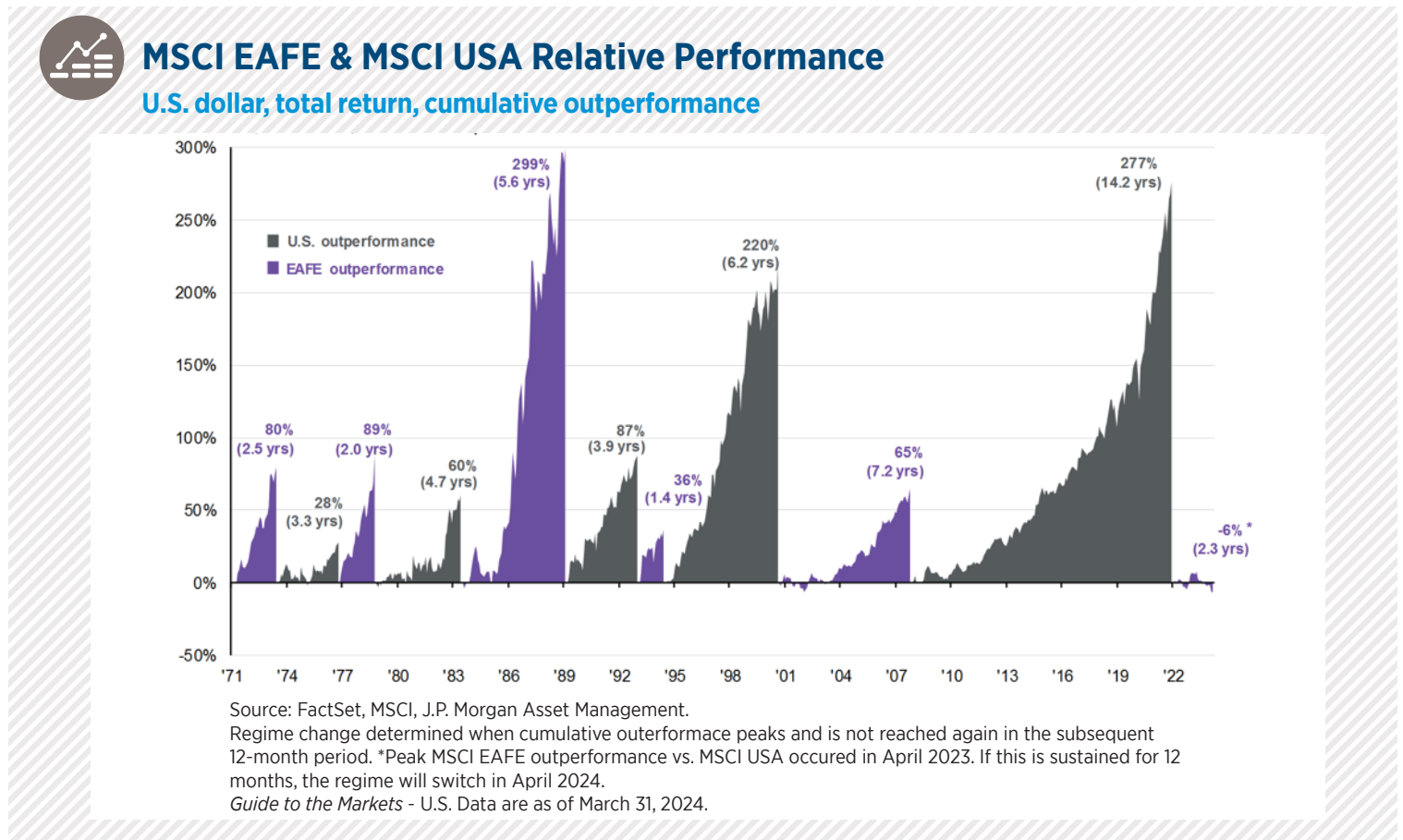


International Diversification and Market Disconnects

Continuing the theme from our last newsletter, where we discussed the disconnect between the technology-dominated market-cap weighted S&P 500 index compared to the average stock of the equal-weighted S&P 500 index, we see a similar dynamic between U.S. large cap stocks and its peers in international developed markets.

International developed markets returned an annualized return of 8.4% per year over the last 15 years through Q1 2024, as measured by the MSCI EAFE index – a healthy rate of return since the end of the Great Financial Crisis in 2009. During the same time, the S&P 500 index had an annualized return of 15.6% per year, or 7.2% of relative outperformance compared to stocks from an aggregation of countries including Japan, United Kingdom, France, Switzerland, and Germany.

The chart below illustrates the cycles of U.S. and international developed countries' relative performance. The last time the U.S. outperformed international developed countries was the mid-to-late 1990s, followed by a 7-year period led by international stocks.



Markets rarely move in a straight line, characterized by overreactions both up and down in terms of relative valuation. Data suggests that international stocks are relatively less expensive than U.S. stocks in terms of price-to-earnings ratio and dividend yield. As of March month-end, U.S. stocks were trading at 20.9 times future earnings compared to 13.7 times for international. The dividend yield on U.S. stocks was 1.4% compared to 3.1% for international as of March month end.

While we can never predict the future with certainty, international stocks will likely outperform their U.S. counterparts at some point, and dislocations of this magnitude have represented opportunities historically. We believe in the merits of diversification – and that extends to countries in addition to asset classes and sectors – to achieve your long-term objectives. As always, we view all market volatility and disconnects opportunistically. We continue to navigate all market environments with our eyes set on building long-term wealth.

How to Help Protect Yourself Against Identity Theft

Now more than ever, it's important to safeguard yourself against identity theft. Here are some steps you can take to protect your personal and financial information:

REVIEW YOUR CREDIT

It's important to review your credit report at least once a year and make sure that all the information in it is correct. Every consumer is entitled to a free credit report every 12 months from each of the three reporting agencies: Equifax, Experian and TransUnion. For more information, visit annualcreditreport.com.

CREDIT FREEZES AND FRAUD ALERTS

If you discover that your information has been exposed to identity theft, you should consider placing a fraud alert and/or security freeze on your credit report.

A **fraud alert** requires creditors to take extra steps to verify your identity before extending any existing credit or issuing new credit in your name. To request a fraud alert, you only have to contact one of the three major credit reporting agencies, and the information will be passed along to the other two.

A **security freeze** prevents new credit and accounts from being opened in your name. Once you obtain a security freeze, creditors won't be allowed to access your credit report and therefore cannot offer new credit. Keep in mind that if you want to apply for credit or open a new bank account in the future, you will need to "unlock" or "thaw" the security freeze. In addition, you must contact each credit reporting agency separately to place a security freeze on your credit report.

STAY ONE STEP AHEAD

Here are some extra precautions you can take to help protect your sensitive data:

Consider using two-step authentication. Two-step authentication, which involves using a text or email code along with your password, provides another layer of protection for your information.

Beware of robocalls. Criminals often use robocalls to collect consumers' personal information and/or conduct various scams. Newer "spoofing" technology displays fake numbers to make it look as though calls are local, rather than coming from overseas. Don't answer calls when you don't recognize the phone number. If you mistakenly pick up an unwanted robocall, just hang up.

We're here to help! Please reach out to a member of your Wealth Team if you have questions or would like to discuss additional ways to protect your financial information.

Welcome!



Garrett McKnight

Executive Vice President

Managing Director of Camden Wealth Management

Garrett brings over 20 years of experience leading wealth management teams and serving successful clients and their families in the areas of investment management, financial planning, and fiduciary services. He most recently served as a senior vice president and senior managing director of The Northern Trust Company. He earned a Bachelor of Arts degree in communications from Elon University. Garrett currently resides in Kennebunk.

"As I step into this new role, I am committed to maintaining the high standard of financial guidance and service that you have come to expect from Camden National. I am excited to work with our experienced and dedicated team to leverage our capabilities and focus on opportunities to better assist our clients in achieving their financial success. I am looking forward to meeting you in the near future."

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About Camden National Wealth Management

Camden National Wealth Management provides investment management, goals-based financial planning, and trust and estate services to individual and institutional clients in Maine and throughout the United States. Our highly credentialed team averages 25 years in the business and includes Chartered Financial Analysts, estate planning attorneys, CTFAs, trust specialists, and financial planners. Together, we bring a customized investment and planning approach to meet each client's unique financial needs.