

GEOPOLITICAL HEADLINE RISK AND MARKETS

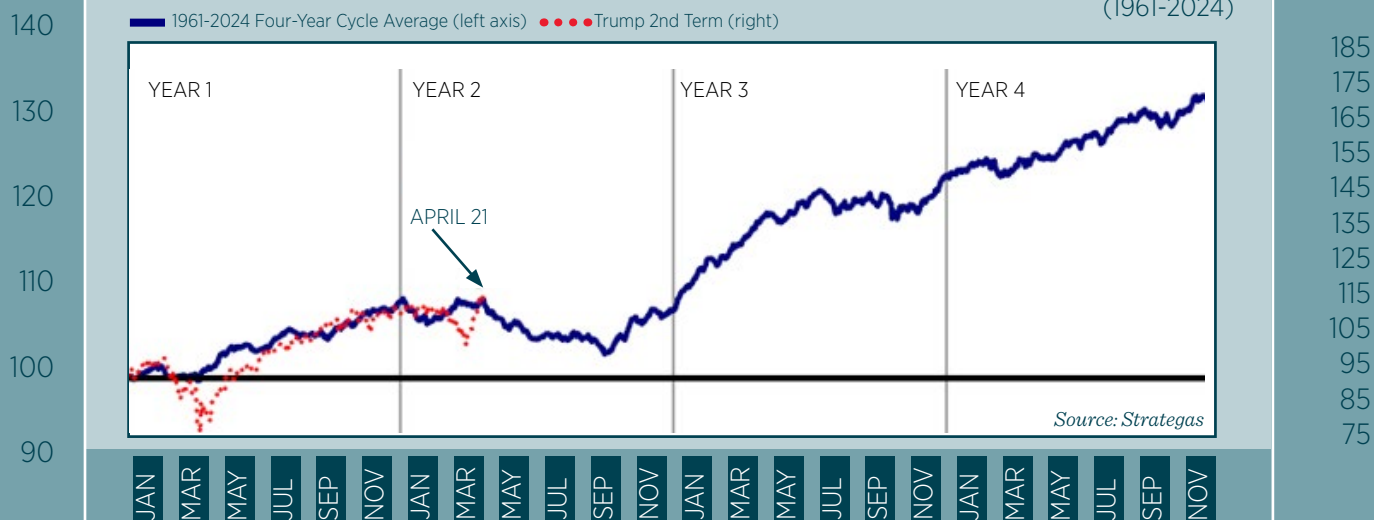
Stefan K. Iris, CFA, Senior Vice President, Chief Investment Officer

We often look at current events and client questions as a source of timely and relevant content for our quarterly newsletters. And without fail, quarter after quarter, year after year, there always seems to be something topical that jumps to the forefront. For our Spring edition, we're going to continue the theme of what we discussed in our Winter newsletter, *Midterm Elections and Markets*, and broaden the scope to include geopolitical headline risk. The key takeaway was that elevated volatility is not only typical, but to be expected during midterm election years. The key takeaway when adding geopolitical headline risk to the mix is that while disruptive in the short-term, geopolitical events in isolation do not typically lead to sustained market downturns.

The last newsletter was published February 11, 2026, less than three weeks before the U.S.-Israel-Iran conflict and closure of the Strait of Hormuz began. The S&P 500 declined as much as 9.4% during the period that followed before rallying to new highs amid an indefinite ceasefire and ongoing negotiation efforts through late April. While it remains to be seen what the intermediate- and long-term impact will be, it is noteworthy that we're seeing markets closely track the historical trajectory seen in midterm election years.

The following illustration shows average S&P 500 price returns during a four-year presidential cycle from 1961 through 2024 in solid blue. The dotted red line shows the 2025 and 2026 trajectory through mid-April 2026. On average, a notable downturn has begun in mid-April of Year 2, and we believe the current conflict and Strait of Hormuz closure pulled that forward by roughly six weeks.

AVERAGE S&P 500 PRICE RETURNS DURING FOUR-YEAR PRESIDENTIAL CYCLE (1961-2024)



While it is common for geopolitical crises to unsettle markets, history shows that their impact on capital markets is temporary. Sustained market downturns have been more closely aligned with economic rather than geopolitical crises. And while there are real economic consequences due to the disruption of oil, natural gas, helium, and fertilizer shipments through the Strait of Hormuz, we do not believe they negate the fundamentally solid economic backdrop we were seeing just prior to the conflict.

Geopolitical risk is not new, and information flow is faster than ever in history, which means short-term reactions are quicker, contributing to elevated volatility. Successfully navigating such markets equates to accepting short-term fluctuations as a normal condition and building long-term strategies that view disruptions opportunistically.

As always, please do not hesitate to reach out to a member of the Camden National Wealth Management team if you would like to discuss this or anything else in more detail—we are here for you.

PROPERTY OWNERSHIP AFTER DEATH

Lauren Epstein, JD, CFP, Senior Vice President

Now may be a good time to review how your assets are titled to ensure they align with your estate planning and legacy goals.

What Are Forms of Property Ownership?

You can legally own property in many ways. The way you own property is important because it affects what you can do with it while you own it, how you can dispose of it during life, who receives it at your death, and how taxes and income are apportioned.

You can own property solely (by yourself), jointly, or as a split interest. The most common forms of joint ownership include joint tenancy, tenancy in common, tenancy by the entirety, and community property. Generally, a split interest refers to life estates and remainder interests.

After your death, your property is divided into two general categories:

Probate property: Property that is passed to your beneficiaries by your Last Will & Testament, which typically includes property held in your name individually with no beneficiary designation.

Nonprobate property: Property that passes outside the Will and avoids the probate process. Avoiding the probate process means that the property automatically passes to the recipient at your death.

What Is a Will Substitute?

A Will substitute is a method of transferring property to beneficiaries without using a Will. The most common example is a trust, but others include:

- Payable-on-death (POD) accounts
- Transfer-on-death (TOD) registrations
- Beneficiary designations (e.g., retirement accounts, life insurance)

Advantages of Nonprobate Transfers

Privacy: A probated Will becomes a public document. Assets passing outside of probate typically remain private and are disclosed only to relevant parties.

Reduced delays: Nonprobate assets can transfer shortly after death, without waiting for the probate process, which may take months or even years.

Potential cost savings: Probate can involve court fees, filings, notices, and administrative expenses. Avoiding probate may reduce or eliminate these costs.

Tradeoffs to Consider

May undermine tax planning: Property held jointly with a spouse passes automatically to the surviving spouse and qualifies for the unlimited marital deduction. While efficient, this approach may limit the ability to fully utilize applicable estate tax exemption after both spouses have passed.

May conflict with broader estate planning goals: Adding a child as a joint owner on a bank account can provide convenience, but that child will typically become the sole owner at death—regardless of the instructions in your Will. This outcome may unintentionally disrupt plans to divide assets equally among heirs.

Final Thoughts

Asset titling and beneficiary designations are vital in estate planning. Contact our **Camden National Wealth Management** team to discuss your planning needs and ensure your assets are aligned with your long-term goals.

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