

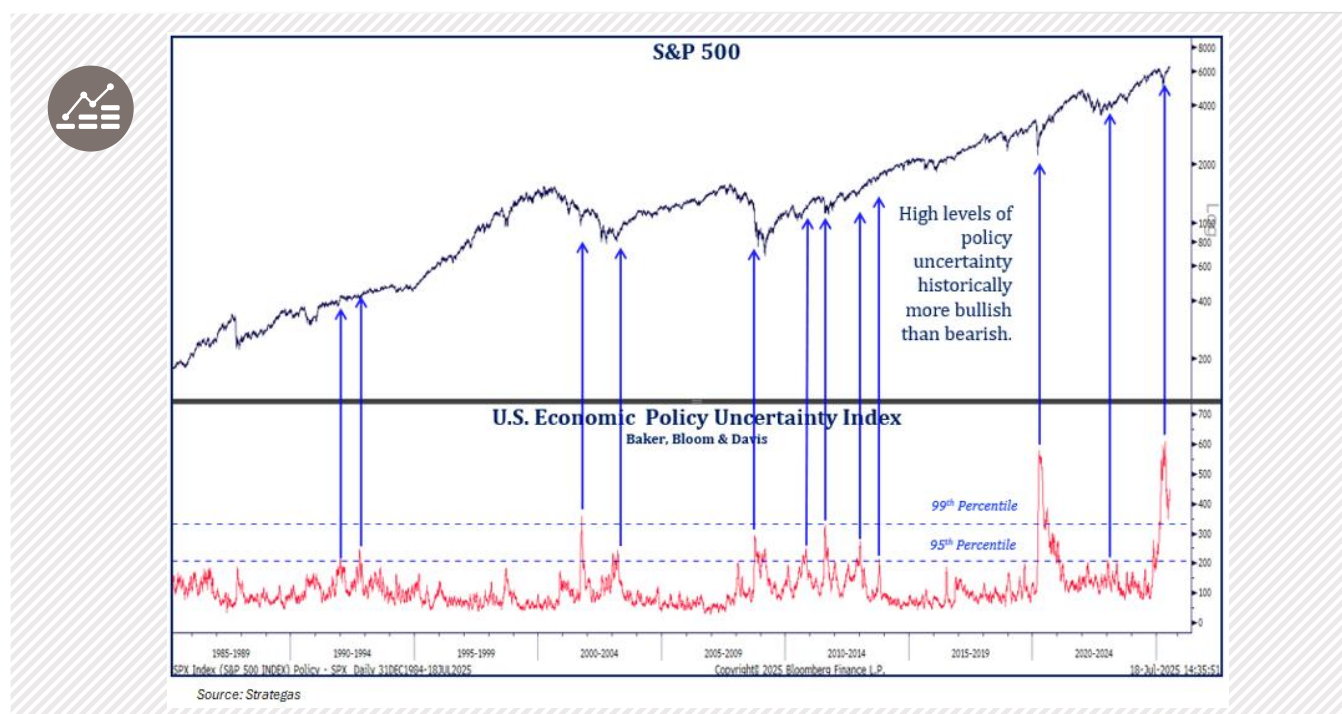
Uncertainty Continued

David Schiffer, CFA, Wealth Portfolio Manager

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

We chose to continue the theme of uncertainty from our last newsletter because we see an opportunity to illustrate long-term market dynamics in a relatively short period of time. We mention volatility frequently not because it's atypical and unusually noteworthy, but because it's an expected and, dare I say, normal feature of market behavior. In other words, uncertainty is certain—the question is how much uncertainty are market participants willing to tolerate?

The following chart is an updated version of what was shared in our Spring newsletter. It illustrates what may be counterintuitive to some: periods of heightened uncertainty, which are highly correlated with market downturns, are often opportunistic times to invest long-term. The top portion looks at the S&P 500 trajectory from 1985 now updated through mid-July 2025. The bottom portion tracks policy uncertainty for the same time frame. The prior takeaway was that spikes of heightened uncertainty have historically served as attractive entry points to yield positive forward returns. While we did not predict such a short time frame, we are seeing this play out in real time with the S&P 500 rallying from its year-to-date low in April to new highs in mid-July. Regardless of one's views on policy, the degree of uncertainty has come down since April, which has been viewed positively by investors.



While policy uncertainty has come off its recent peak in April, in part due to the passage of the budget reconciliation bill in early July, the magnitude and impact of tariff policy remains unclear, and the uncertainty gauge noted above remains elevated. Inflation, Federal Reserve policy and leadership, and geopolitical unrest are additional features of the current market environment that we continue to watch closely, especially as they apply to opportunities to build long-term wealth.

Please don't hesitate to reach out to a member of the Camden National Wealth Management team if you'd like to discuss further—we're here for you.

Big Beautiful Bill Act

Jason Allen, CFP®, Vice President, Senior Wealth Relationship Manager

On July 03, 2025, the “Big, Beautiful Bill Act” was signed into law, extending many provisions of the 2017 Tax Cuts and Jobs Act (TCJA) and introducing a host of new measures.

What these changes mean for you: Our team is here to help you understand these updates and tailor your financial strategy accordingly. We invite you to schedule time with your wealth management advisor to discuss any questions or concerns you might have around this new legislation.

Extended TCJA Tax Cuts: Many of the individual tax cuts from the 2017 Tax Cuts and Jobs Act (TCJA), which were set to expire, have now been made permanent.

- **Increased Standard Deduction:** There will be another increase to the standard deduction amounts and they have been made permanent. The bill also added an additional senior deduction of \$6,000 (individual) for those over age 65. 2025 Standard Deduction amounts are below.
 - o Single or married filing separately: \$15,750
 - o Head of household: \$23,625
 - o Married filing jointly: \$31,500
- **Tax Brackets:** The tax rates that started in 2017 in the TCJA will be made permanent. The income brackets will continue to be indexed annually for inflation.

Estate and Gift Tax Exemption Amounts Made Permanent: The estate and gift tax exemption will increase to \$15 million and will be indexed annually for inflation.

Increased SALT Deduction Limit: The deduction limit for State and Local Income Taxes (SALT) will increase from \$10,000 to **\$40,000** until 2030. This deduction is only for those earning less than \$250,000 (individual). After 2030, it will revert to \$10,000 but will be applicable to all earners.

Enhanced Child Tax Credit: The \$2,000 per child tax credit is now permanent. Starting in 2025 the credit increases to **\$2,200** per child and will be indexed for inflation.

Expanded 529 Account Qualified Expenses: Tax-exempt distributions from 529 savings plans can now be used for a broader range of educational expenses. Students can use the funds to help cover tutoring, textbooks, test prep, online learning, or special education services.

Money Accounts for Growth and Advancement: These accounts are a new savings program designed to create long-term wealth for children born in the US. All children under the age of 8 will be able to contribute and the government will contribute \$1,000 for every US Citizen Child born between 2025 and 2028. We have no information yet on how these accounts will be open or administered.

Deductions for Overtime and Tips: A new provision allows for the deduction of wages from tips up to \$25,000 and overtime up to \$12,500, both subject to income phaseout limits.

Car Loan Interest Deduction: You can now deduct up to \$10,000 in vehicle loan interest annually, however there are many restrictions on income levels and the type of vehicle that would qualify.

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MEET OUR NEWEST TEAM MEMBERS

Jonathan Dolloff
Vice President,
Portfolio Manager



Based in Bangor, Maine, Jon brings a well-rounded perspective to client service and investment strategy. Before joining Camden National Wealth Management, Jon held roles at two community banks in Maine, where he focused on deepening his commitment to local clients and communities.

Jason Allen, CFP®
Vice President,
Senior Wealth
Relationship Manager



Jason, located in Kennebunk, Maine offers deep expertise in estate planning, trustee services, tax and insurance planning, and multi-generational financial goal planning. Most recently, Jason was a Relationship Manager at HM Payson, where he was instrumental in managing equity-focused investment portfolios and developing comprehensive planning strategies for high-net-worth clients.

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, CFA trust specialists, and financial planners. Together, we bring a customized investment and planning approach to meet each client's unique financial needs.