

March 17, 2026

Markets Are Resilient

Capital markets are unquestionably in a more volatile mode since the Iran conflict began on February 27. The specter of the war having broad negative economic impact is clearly on the minds of investors and traders alike. Consensus thinking is oil supply chain interruptions may last longer than initially thought. While the U.S. is now a net exporter of oil and less reliant on imports, high oil prices remain a significant economic factor. Consequently, markets are reacting quickly and, in some cases, emotionally to these concerns.

Markets always deal with more than one issue at a time. Artificial intelligence (AI) stress and cracks in the private credit market are also influencing volatility. A debate surrounding AI's impact on software companies' fortunes and future levels of employment has ensued among market participants. Some private credit funds (in which we do not invest) are seeing increased requests for redemptions. As always, both bulls and bears are casting their votes.

In market environments such as this, it can be beneficial to remember the wise words of Benjamin Graham, known as the father of security analysis and mentor to Warren Buffett. Graham said, "In the short run, the stock market is a voting machine. In the long run, it is a weighing machine." In other words, emotions can take over in the short term but over longer periods, fundamentals, like growth in earnings, matter more.

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The American economy has strong underpinnings because our people are industrious, entrepreneurial and resilient. This is something that should not be underestimated as we approach the nation's 250th birthday on July Fourth.

Tweets and Trades – Long Term Investing is More Challenging Today

In a world with two broad types of market participants, traders and investors, we are decidedly investors. We are firmly **long-term** investors, an approach that has served our clients well for almost 60 years. The reality is, as time has gone by, it has become more difficult to be a long-term investor. Cultural forces emphasizing immediacy place an undo focus on action and expediency.

In volatile capital markets, it can be natural to feel the pull to adopt a "Don't just sit there, do something!" attitude relative to one's investment policy. In

a world with an "always on" 24/7 news cycle and markets

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that attempt to price every development immediately, maintaining poise can be challenging for long-term investors. In the words of Buffett, just because Mr. Market knocks on your door selling or buying stocks at a certain price set that minute, it doesn't mean you need to answer the door. Provided a sound investment policy and plan are in place, it is okay to have an attitude of "Don't just do something, sit there."

We have observed, over many market cycles, the best way to be successful in the markets is



with a slow and steady approach. Yes, it does require steadfastness and courage. We must also remember volatility is the price of admission. However, markets are resilient, they have been for decades upon decades. Let the markets again demonstrate that resilience.

CURRENT DISCLOSURES

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