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The Business Beneath the Balance

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There is an old saying on Wall Street that stocks climb a wall of worry.

It persists for one simple reason: Investors constantly forget that markets do not require a peaceful world in order to advance. They require businesses capable of adapting, earning, innovating and growing … despite the worries. Look at this year alone. Investors have spent much of 2026 hand-wringing over war, energy prices, inflation, interest rates, expensive valuations, artificial intelligence, political uncertainty and the possibility that markets had simply come too far too fast.

Note

Sure, those worries are real and carry weight. But while the concerns have multiplied, stocks have kept growing.

That can feel confusing if we assume markets are supposed to rise only when news is good. But prices do not move simply because the world feels comfortable. Over time, they're supported by businesses' ability to create value. Note

This is where many investors lose perspective. They spend far more time listening to what other people think about the businesses they own rather than understanding what those businesses are actually doing.

A brokerage statement tells you one thing very clearly: what other investors were willing to pay for your holdings on a particular day. It won't tell you how many customers were served, how many products were shipped, how much waste was reduced, how much research advanced, how much productivity improved or whether a company strengthened its competitive position.

It won't tell you whether earnings grew, cash flow expanded or management made decisions that may benefit shareholders years from now.

Note Note

In other words, your statement tells you the price, but not always the progress.

Price is visible every day, but progress is quieter. Price moves with opinion, expectation, fear, excitement, liquidity and human emotion. Business progress tends to gradually track with revenue, earnings, dividends, innovation, efficiency and time. Price is quoted every second of every day, while progress is discussed far less often.

Note

Understanding that difference distinguishes a speculator from an investor. A speculator tries to predict what other investors will think next. An investor tries to understand what businesses may accomplish over time.

Note Note

That difference sounds simple, but understanding it and espousing it are two very dissimilar things. Opinion is immediate, offering investors something to react to. This may feel like being informed, even when it has little to do with the longterm value of the businesses owned.

Business progress rarely comes packaged with the same drama. It shows up in earnings reports, capital investments, research pipelines, new factories, better software, improved margins, stronger balance sheets and dividend increases. It comes from people going to work daily inside the companies we own, where they try to solve problems, serve customers, reduce costs and create value. These details don't make the evening news, but they form the foundation of long-term wealth creation. Note

Consider all the troubles of this century. Investors have lived through the bursting of the dot- com bubble, the attacks of September 11, the Global Financial Crisis, the European debt crisis, a global pandemic and so on.

Yet beneath those worries, businesses continued adapting. -Note

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Stocks climbed a wall of worry not because the worry was foolish, but because it was not the only force at work.

This is especially important during periods of rapid change. Artificial intelligence, automation, biotechnology, advanced manufacturing, robotics, logistics and data analytics are reshaping how companies operate. Some businesses will use these tools well. Others will struggle. Progress is not evenly distributed, and it's never guaranteed to benefit every business equally.

-Note

As an investor, your task is not to know every winner in advance but to own productive assets in a thoughtful way. Remain attentive to fundamentals and avoid confusing daily opinion with permanent truth.

That is why a rising market during a turbulent year should not be dismissed as irrational simply because the headlines are unsettling. Investors may be looking past today's fears and recognizing that business progress is still occurring. Or, parts of the market may have become overly optimistic. Both can be true at the same time.

The point is not that every market advance is justified or every concern should be ignored. The point is that longterm investors should know the difference between a price quote and a business.

When you own equities, you do not merely own numbers that move on a screen. You own interests in companies filled with people making decisions, building products, serving customers, managing costs, investing in technology and trying to earn profits. Those businesses exist beneath the balance on your statement, and their progress often matters far more than the opinion attached to them on any single day.

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Market opinion can change by the minute. Progress moves on a different schedule. While slower, quieter, and easier to overlook, it's also the reason patient ownership has often been rewarded amidst periods of uncertainty.

The opinions voiced in this material are for general information only and are not intended to provide specific advice or recommendations for any individual.

ABOUT THE AUTHOR

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