



## April 2026

We performed well this quarter, but not without the market subjecting us to a head-swiveling display of now-you-see-it-now-you-don't theatrics that were enough to threaten us with double-vision.

Indeed, we think last quarter can aptly be compared to a visit to the optometrist for a new pair of glasses, where the doctor flips the lenses briskly, asking whether each new configuration is better or worse than the last. The market has responded to the analogous question by throwing up its hands and saying "yeah, that seems better", only to retract that assessment the following morning because what had seemed clear yesterday afternoon has since become muddled due to fresh outrages or ever more florid happy talk.

The stock market has the momentous task each trading day of assigning prices to publicly traded stocks. This happens organically, with each participant having a small say in the daily outcome. In theory, the market incorporates all public information about listed companies, so everyone casts their vote based on equal access to the available facts. We've never claimed the process by which a company's true worth as recognized by the market is an orderly and predictable one, however. While we continue to embrace Ben Graham's formulation that the market is, in the short term, a voting machine and, in the longer term, a weighing machine, we acknowledge that not only is the path to revealing true value circuitous, but such "weights" as it registers are themselves imprecise and exist only within a haze of probable value. Lately, though, even this voting machine element has seemed to go more wonky than usual, with the market voting for what it fervently hopes for rather than what it may actually see, as it continues to attribute near-magical powers to AI and suspends disbelief as to the fact that a "simple" war can have third or fourth order consequences.

We at Marshfield, however, have our sights set on what we believe both matters and is within our analytical ken. That is, we keep our eyes trained on companies that produce things that people want and will likely continue to want over a reasonable time horizon, at prices that allow for robust long-term economic returns, and that possess the cultural, managerial, and temperamental assets that allow them to win and maintain resilience over time. We don't see each new dawn as a prescription for registering today's mood when the market opens. Instead, we try to avoid such myopia by focusing on the near, middle, and long distance without superimposing our own biases, fears, and desires. Shifting our vision as media, politics, and corporate PR Departments flash us different lenses through which to understand the world is simply not how we operate. We have a sturdy philosophy and a rigorous discipline through which we refract the world, and we reflexively avoid reacting to the spectacle du jour. This doesn't change, even when the world begins to look like a hall of mirrors. Let others don their rose-colored glasses and their blinders. We're happy to be seeing 20-20.



During the quarter, we were able to purchase a 3% position in Arch Capital and a 5% position in Visa for accounts that did not own them at that level. At the end of the quarter, we were investing 21% on day one for new traditionally managed accounts.

### **Marshfield Associates**

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