

If you're waiting for the headlines to calm down before feeling confident about your investments—you may be waiting a long time. Markets don't reward certainty; they reward discipline. And the reality is, there will always be something in the news that feels like a reason to get out. This quarter is just the latest example.

The first quarter of 2026 has been a classic example of why we cannot make investment decisions based on current events. Both domestic and global headlines have dominated the news cycle—from geopolitical tensions in the Middle East and developments in Venezuela, to Supreme Court decisions, economic concerns, and immigration debates.

In times like these, it's critical to stay focused on what we can control: our long-term plan.

Periods of heightened volatility often create opportunities. We can rebalance portfolios, adding to positions that have declined. We can take advantage of tax-loss harvesting when investments fall in value. These environments may also present opportunities for Roth conversions, as well as strategic distributions from inherited IRA accounts. When markets are down, we can move more shares out of IRAs at lower values and position them for potential recovery in Roth or taxable accounts.

When it feels like the world is unsettled, it's important to remember that volatility is a normal part of investing. Market declines of 5–10% occur regularly, and corrections of 10% or more happen approximately every 12–18 months on average.

What causes panic is rarely the known risks—such as national debt or long-term entitlement challenges—but rather the unexpected events. It has always been this way. And historically, investors who stay disciplined and focused on their plan, rather than reacting to short-term noise, have been rewarded over time.

U.S. equity markets are currently down approximately 7–8%, which is still within the range of a typical pullback. A decline of 10% is generally considered a market correction and is a normal part of market cycles. While it wouldn't be surprising to see further short-term volatility, history shows that markets have consistently recovered, though the timing is never predictable.

We build this expectation into your financial plan. We know these periods will occur—we just don't know when or what will cause them. What remains consistent is how quickly sentiment can shift, and how rapidly markets can recover.

As legendary investor Peter Lynch once said:

*“Far more money has been lost by investors preparing for corrections, or trying to anticipate corrections, than has been lost in the corrections themselves.”*

This ties directly to two of our guiding principles:

1. American equities, alongside opportunities found around the globe, remain one of the most effective ways for long-term investors to build, sustain, and ultimately transfer wealth.
2. The economy cannot be consistently forecasted, and markets cannot be reliably timed. Attempting to do so often does more harm than good.

If you would like to review your plan or discuss how current market conditions may impact your strategy, we are always here to help.

On a separate note, I'd like to introduce our newest team member, Jamie Cato, who has joined Heritage Wealth Management as an Operations Specialist. You'll likely connect with her when reaching out for service needs. Jamie joins us from Northern Trust, where she supported operations in this region. Originally from Augusta, Georgia, she even had the opportunity to work at The Masters Main Golf Shop—and her claim to fame is bumping into Phil Mickelson!

