

summaries



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MARKET COMMENTARY

The quarter ending September 2026 was filled with angst-causing moments. Most notably - the ratcheting up of military activities in the Iran war, the mischief caused by rogue, artificial intelligence agents, and the rapid jump in interest rates - with the yield on the 10-year US Treasury yield rising to levels not seen in over two decades. Notwithstanding the pyrotechnics, the Standard & Poor's 500 stock index still produced a total return of 2.5% for the quarter. Not surprisingly, the Bloomberg U.S. Aggregate bond index lost almost 4%.

While our role as Wealth Advisors is to monitor day to day capital market conditions, it is also equally important for us to maintain a long-term focus and be cognizant of positive and negative developments. In that regard, we were struck by the article recently published by The Free Press, authored by Allison Schrager, titled **The Entrepreneurial Spirit**.

Per Shrager's observations, a defining characteristic of American exceptionalism has been our willingness to take risks, embrace change, and push beyond established frontiers. In the 19th century, that frontier was often physical. Today, it is increasingly technological.

She also points out that our relationship with risk has changed, referencing Kenneth Deardorff, who received the final federal Homestead Act patent in 1988 after settling in Alaska. His story represents the closing of the traditional American frontier, where individuals were willing to accept substantial uncertainty in pursuit of independence and opportunity.

Schrager argues that, while as Americans we have become wealthier and technology has made our lives

safer and more predictable, our tolerance for risk has diminished. Young Americans, in particular, may have fewer opportunities to experience the independence, uncertainty and failure that historically helped develop an entrepreneurial spirit. She contends that this can leave people less willing to take the very risks that create opportunity.

Whether one agrees with her observations about younger generations, the broader point is worth considering. Risk-taking and entrepreneurship have always been important ingredients in American economic progress. Entrepreneurs accept the possibility of failure in exchange for the possibility of creating something new. Some of those efforts fail; others produce technologies, businesses and innovations that fundamentally improve the way we live.

We see this same dynamic at Sigma, where every Wealth Advisor shares in the responsibility – and the rewards of – ownership. That structure creates a culture in which taking thoughtful risks, accepting accountability, and thinking like an owner are integral to how we serve our clients and build the firm.

This conceptual risk/reward framework is particularly important as we enter an era of extraordinary technological change. Artificial intelligence, biotechnology, robotics, fintech, advanced manufacturing and other emerging technologies have the potential to dramatically increase productivity and improve living standards—not just in America, but throughout the world.

Continued American prosperity will require more than protecting what we have. We need citizens willing to

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push frontiers, pursue new ideas, build companies, invest in innovation and accept the possibility of failure in pursuit of something better. Government can help create an environment in which that experimentation is possible, but ultimately the entrepreneurial spirit comes from individuals willing to take the risk.

At Sigma, we have witnessed this in serving the needs of several clients whose wealth was created entirely through their entrepreneurial success. The American frontier may have closed in Alaska, but the frontiers of technology and human ingenuity remain wide open. For investors, it is essential to our economic culture that entrepreneurialism endures.

Robert M. Bilkie, Jr., CFA
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