



MONTHLY MARKET REVIEW – April 2026

	Apr 2026	YTD	1-Year	3-Years	5-Years	10-Years
U.S. Large Cap Equities S&P 500	10.49%	5.70%	31.05%	21.69%	13.14%	15.26%
U.S. Small Cap Equities Russell 2000	12.21%	13.21%	44.41%	18.19%	5.75%	10.98%
Energy Infrastructure Equities Alerian U.S. Midstream	2.03%	27.83%	33.12%	31.72%	27.97%	14.65%
U.S. Real Estate Equities Dow Jones U.S. Select REIT	8.67%	13.72%	19.84%	11.96%	5.67%	5.95%
Global Equities MSCI All Country World	10.17%	6.65%	31.00%	19.84%	10.68%	12.25%
Int'l Developed Equities MSCI EAFE	7.45%	6.12%	24.60%	15.30%	8.83%	8.85%
Emerging Market Equities MSCI Emerging Markets	14.71%	14.52%	46.68%	20.67%	6.05%	9.23%
U.S. Taxable Fixed Income Bloomberg U.S. Aggregate	0.11%	0.07%	4.06%	3.46%	0.18%	1.67%
U.S. Tax-Exempt Fixed Income Bloomberg Municipal Aggregate	1.15%	0.97%	6.34%	3.34%	0.90%	2.20%
High Yield Fixed Income Bloomberg U.S. Corp High Yield	1.69%	1.19%	8.84%	8.85%	4.35%	5.90%
Floating Rate Loans Morningstar LSTA U.S. Loan	1.29%	0.73%	6.22%	8.08%	6.09%	5.53%
Collateralized Loan Obligations JP Morgan Collateralized Loan	0.15%	0.68%	5.51%	7.68%	5.35%	4.91%

- Global equity markets staged a powerful recovery rally in April, recouping losses from March despite considerable geopolitical turbulence and sustained disruption in the Strait of Hormuz.
- U.S. equities benefitted from a rotation back into artificial intelligence (AI) stocks, with the S&P 500 and Nasdaq indexes reaching all-time highs.
 - Growth outperformed value in April, gaining 14.8%, yet trailed by 0.41% for the year.
 - The 10 largest companies in the S&P 500 represented 39.8% of the index at month-end.
 - These companies traded at a 12-month forward P/E of 25.4x, or an average 30% premium compared to the remaining companies in the index that traded at 18.9x.
- Emerging markets equities reported the strongest gain, supported by Taiwan and South Korea, both primary markets for the global AI chip supply chain.
- Fixed income returns were more nuanced, with elevated oil prices and rising inflation, pushing yields higher (yield up/price down), coupled with robust earnings supporting credit.
- High yield bonds and floating rate loans outperformed investment grade fixed income.

Sources: eVestment, JP Morgan, xe.com, Trading Economics, StatisticsCanada, Federal Reserve Bank of Richmond, U.S. Dept of Labor/Bureau of Labor Statistics, Bank of Canada, RBC, Bureau of Economic Analysis, CME Group

Category	Comments
Growth	The U.S. economy grew at a 2.0% rate (annualized) in the first quarter: <ul style="list-style-type: none"> • Softer consumer spending was offset by stronger business fixed investment. • Increased business fixed investment rose 10.4%, causing imports to spike and net exports removed 1.3% from growth.
Profits	The 1Q 2026 earnings season is underway with 72.2% of companies reporting: <ul style="list-style-type: none"> • S&P 500 EPS is projected at 24.5% y/y; 4Q25 was 12.1% y/y. • The Information Technology sector is projected to contribute 45% of the y/y index EPS growth.
Jobs	The March jobs report's results exceeded expectations: <ul style="list-style-type: none"> • The U.S. added 178k new jobs; January-February jobs were reduced by 7k. • Wage growth eased to 0.2% m/m to 3.5% y/y; unemployment declined to 4.3%.
Inflation	Fed Gauge: Personal Consumption Expenditures Index (PCE - Core): <ul style="list-style-type: none"> • Core PCE inflation rose at a 3.2% annualized rate (March, ex. energy & food). • The Federal Reserve's long-term target is 2%.
Interest Rates	The FOMC policy rate was unchanged in April at a range of 3.50%-3.75%: <ul style="list-style-type: none"> • The Committee acknowledged mounting upside risk to inflation. • Jerome Powell announced he will remain on the Board of Governors. • Kevin Warsh was announced as the new Federal Reserve Chairmen.

CANADA:

- The U.S. dollar index (DXY) **decreased** 1.9% in April and **decreased** 2.0% over the past 12 months (see chart below). The U.S. dollar **weakened** 2.5% against the Canadian dollar in April to end the month at an FX of **1.36**.



- The Bank of Canada's policy interest rate was **unchanged** at 2.25%.
- **Core CPI**, referred to as "CPI-trim," **decreased** to end March at 2.2%.
- Canada's trade balance was pushed back into surplus in March following a surge in oil prices and another jump in gold exports.
- The economy remains highly pressured by U.S.-imposed tariffs but has shown signs of stabilization.
- Exports declined by an annualized 2.4% in the first quarter, with steel and lumber products running 50% and 22% below levels from 12-months prior, respectively.
- First quarter imports surged, including a 17% annualized increase in industrial equipment.

Sources: eVestment, JP Morgan, xe.com, Trading Economics, StatisticsCanada, Federal Reserve Bank of Richmond, U.S. Dept of Labor/Bureau of Labor Statistics, Bank of Canada, RBC, Bureau of Economic Analysis, CME Group

OIL:

- **The price of crude oil was \$105.07 per barrel (WTI).**
- Oil prices **increased** \$3.69 per barrel, or 3.6%, in April.
- Crude prices increased, but at a significantly lower pace compared to March. For the year, prices have surged \$47.65 per barrel, or 83%. Prices are expected to remain volatile as concerns persist about a diplomatic solution between the U.S. and Iran.
- **Oil is forecasted to trade between \$80 and \$115 per barrel over the next 12 months.**

Year	Ave. Price	High	Low	% Change
2026	\$78.22	\$112.95	\$55.99	83%
2025	\$64.62	\$78.71	\$57.13	-19%
2024	\$75.83	\$87.01	\$66.37	1%
2023	\$77.64	\$93.84	\$66.74	-11%
2022	\$94.53	\$123.70	\$71.59	7%
2021	\$68.17	\$84.65	\$47.62	55%
2020	\$39.68	\$63.27	\$11.26	-21%
2019	\$56.99	\$66.24	\$46.31	35%
2018	\$65.23	\$77.41	\$44.48	-25%
2017	\$50.80	\$60.46	\$42.48	12%
2016	\$43.29	\$54.01	\$26.19	45%
2015	\$48.66	\$61.36	\$34.55	-31%

COPPER:

- **The price of copper was \$5.98 USD per pound.**
- Copper prices **increased** \$0.37 per pound, or 6.6%, in April.
- Copper prices increased in response to an improved outlook on demand for manufacturing. The ongoing war in Iran has resulted in price variability, while the top producer, Chile, faces supply risks associated with Sulphur flows to China due to the Strait of Hormuz impasse.
- **Copper is forecasted to trade between \$5.60 and \$6.20 per pound over the next 12 months.**

Year	Ave. Price	High	Low	% Change
2026	\$5.85	\$6.20	\$5.37	5%
2025	\$4.86	\$5.82	\$4.03	41%
2024	\$4.23	\$5.10	\$3.68	3%
2023	\$3.86	\$4.28	\$3.57	2%
2022	\$4.00	\$4.94	\$3.23	-14%
2021	\$4.24	\$4.76	\$3.52	27%
2020	\$2.80	\$3.63	\$2.10	26%
2019	\$2.72	\$2.97	\$2.53	6%
2018	\$2.93	\$3.30	\$2.56	-20%
2017	\$2.81	\$3.30	\$2.49	32%
2016	\$2.20	\$2.69	\$1.94	17%
2015	\$2.49	\$2.94	\$2.02	-25%

ALUMINUM:

- **The price of aluminum was \$3,483 USD per tonne.**
- Aluminum prices **increased** \$54 per tonne, or 1.6%, in April.
- Aluminum prices exhibited stability in April as markets considered the potential outcomes from the U.S./Iran war and the sustained closure of the Strait of Hormuz. The Strait accounts for 9% of global aluminum supply and 25% of non-China supply.
- **Aluminum is forecasted to trade between \$3,350 USD/tonne and \$3,550 over the next 12 months.**

Year	Ave. Price	High	Low	% Change
2026	\$3,279	\$3,644	\$2,996	16%
2025	\$2,643	\$2,913	\$2,340	17%
2024	\$2,458	\$2,768	\$2,159	7%
2023	\$2,288	\$2,662	\$2,122	0%
2022	\$2,711	\$3,966	\$2,103	-15%
2021	\$2,486	\$3,198	\$1,954	42%
2020	\$1,732	\$2,068	\$1,427	9%
2019	\$1,811	\$1,936	\$1,706	-2%
2018	\$2,115	\$2,556	\$1,817	-19%
2017	\$1,979	\$2,272	\$1,686	34%
2016	\$1,610	\$1,784	\$1,450	12%
2015	\$1,679	\$1,978	\$1,436	-18%

Sources: eVestment, JP Morgan, xe.com, Trading Economics, StatisticsCanada, Federal Reserve Bank of Richmond, U.S. Dept of Labor/Bureau of Labor Statistics, Bank of Canada, RBC, Bureau of Economic Analysis, CME Group

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MARKET UPDATE

April 30, 2026

By Thomas Grugan, Director & Senior Investment Strategist

High Level Summary

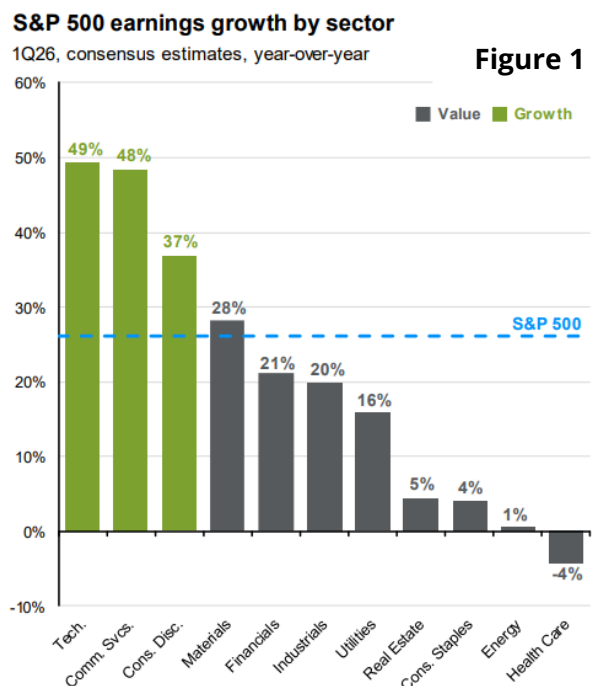
Global Equities recouped losses from March and reached all-time highs in April following a rotation back into Artificial Intelligence (AI) stocks. The rotation directly benefited Asia-Pacific markets critical to the global AI semiconductor supply chain, resulting in a near-15% monthly return for Emerging Markets equities. The U.S.-Iran war remained a primary concern, specifically the short and longer-term effects related to disruption in the Strait of Hormuz, which had pushed Brent crude above \$110 per barrel.

U.S. Economy

- The U.S. economy grew 2.0% in the first quarter, with slowing consumer spending (+1.6%) offset by higher business fixed investment (+10.4%).
- Government spending increased 4.4%, following the 43-day U.S. government shutdown.
- First quarter earnings consensus was for an EPS growth rate of 26.1% (y/y), with Technology representing 45% of the growth, and Energy earnings expected to more than offset negative Health Care growth as oil prices rose sharply in response to disruption in the Strait of Hormuz.
- The FOMC voted to hold the federal funds rate steady with market participants forecasting the Fed will be on hold well into 2027 due to elevated headline and Core inflation.

Topic of the Month

Public equity markets have rewarded investors with extraordinary returns over the past several years, with the S&P 500 Index gaining 118% since the market low in October 2022. All sectors of the U.S. large cap equity market except Health Care are projected to deliver positive earnings growth over the next twelve months, as demonstrated in Figure 1. With value companies currently trading at a 36% P/E discount to growth companies, and all sectors in AI-related industries of the S&P 500 Index offering double-digit projected earnings growth over the next twelve months, it could be argued that overweighting equities may be a reasonable way for investors to lock in returns. While we remain optimistic about the outlook for equities, we have experienced market shocks, corrections and bear markets that have reinforced our persistent guidance to remain diversified. While fixed income market returns have been nuanced, we believe they remain an important part of a well-diversified investment portfolio.



In this letter we consider the outlook for fixed income and discuss the benefits of active versus passive debt asset management.

Fixed Income – Outlook

Source: JP Morgan

Fixed income has served an important role for risk mitigation and income-based return stabilization for investors before and after the market low in 2022. In the three significant equity market selloffs since, with the S&P 500 Index declining >10% (2023), >17% (2025) and >9% (2026), investment grade bonds, upper tier high yield bonds and investment grade collateralized loan obligations collectively declined less than 1.0% (equally weighted). Over the rolling 3-year return periods through April 30th, fixed income securities delivered an average return of 6.7%.

Fixed income has demonstrated an ability to serve as an “all-weather” diversification tool for investors regardless of equity market conditions, by lessening downside risk in negative markets and providing income total return participation in up markets. Simultaneously, it also serves as a higher yielding source of dry powder compared to cash/money markets to deploy at equity market lows. As of this writing, investment grade bonds, high yield bonds and investment grade collateralized loan obligations offer yields of 4.7%, 7.1% and 5.1%.

Fixed income also offers a more predictable future return, simplified into the base yield, roll-down (a pull to par at maturity) and price change, which move inversely. The table below (Figure 2) provides a visual aid to simulate the projected 5-year future return of the Bloomberg U.S. Aggregate Bond Index, with an implied return of over 4.7%.

Yield to worst and subsequent 5-year annualized returns

Bloomberg U.S. Aggregate Total Return Index

Figure 2

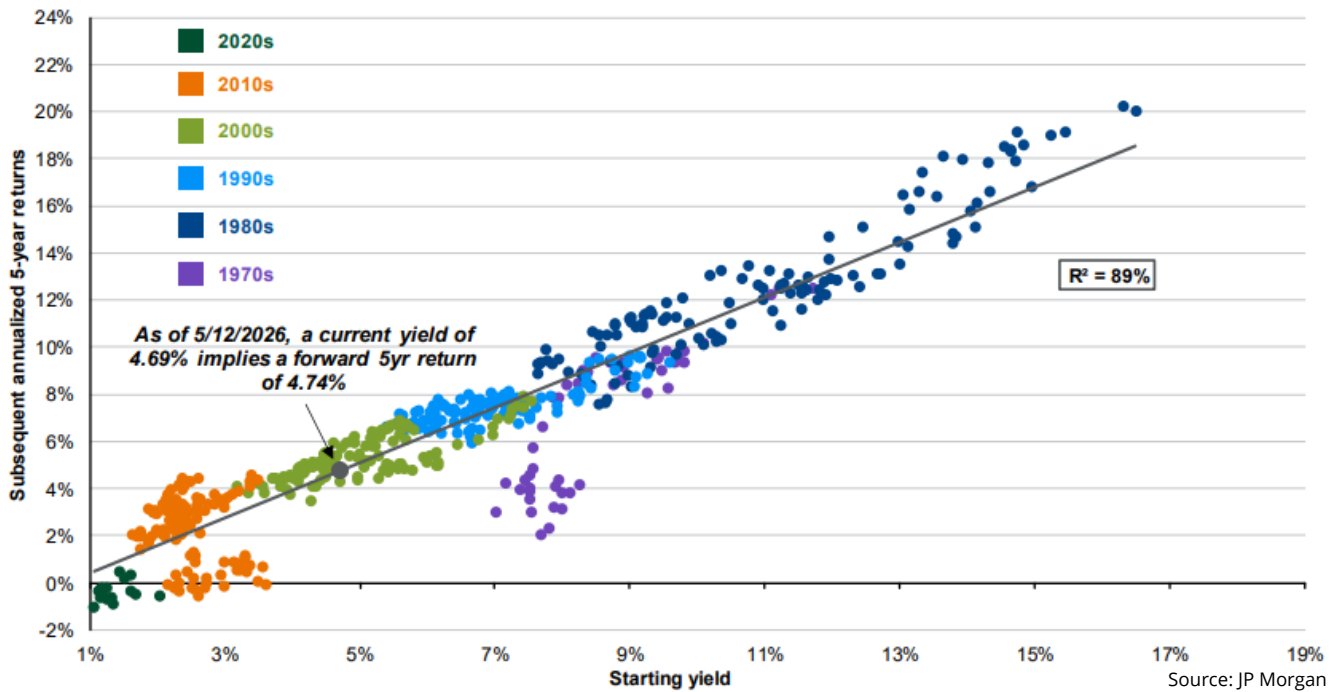
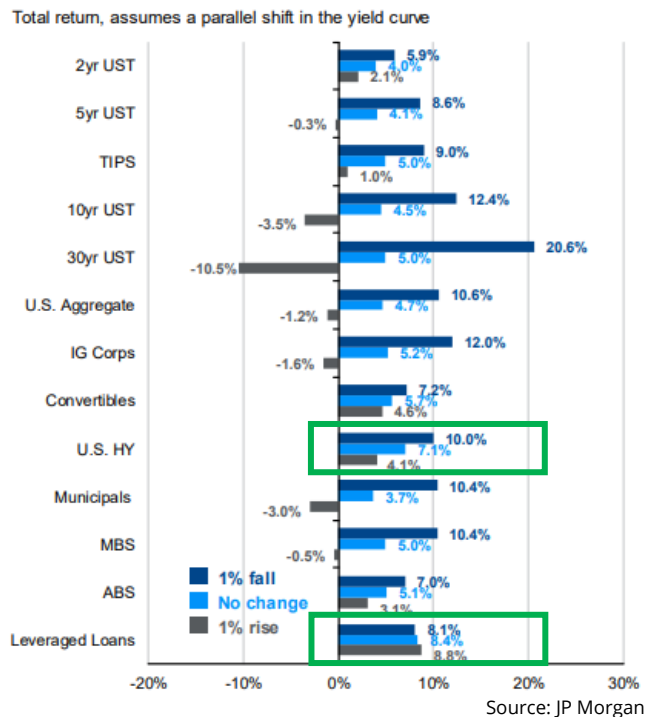


Figure 3

When the base yield is combined with the current discount to par offered by these fixed income securities (pull to par by holding to maturity), the returns increase. If we overlay possible changes to U.S. interest rates, the return opportunities become clearer. In Figure 3, we demonstrate that lower or unchanged U.S. interest rates lead to positive total returns, while higher U.S. interest rates can amplify returns for most categories, most notably high yield bonds and loans.

Lastly, we consider the importance of adhering to a strategic asset allocation that includes *both* stocks and bonds, in the context of the frequency of positive total returns. In Figure 4, we compare an all-stock portfolio against a 60% stock/40% bond portfolio. This chart strips away short-term periods of stock/bond over- and underperformance, and illustrates that by including both asset classes in an investment portfolio, the frequency of positive returns improves considerably by remaining balanced.

Fixed income returns in different interest rate scenarios



Frequency of positive returns across timeframes

Rolling total daily returns, Jan 1, 1989 - Dec 31, 2025

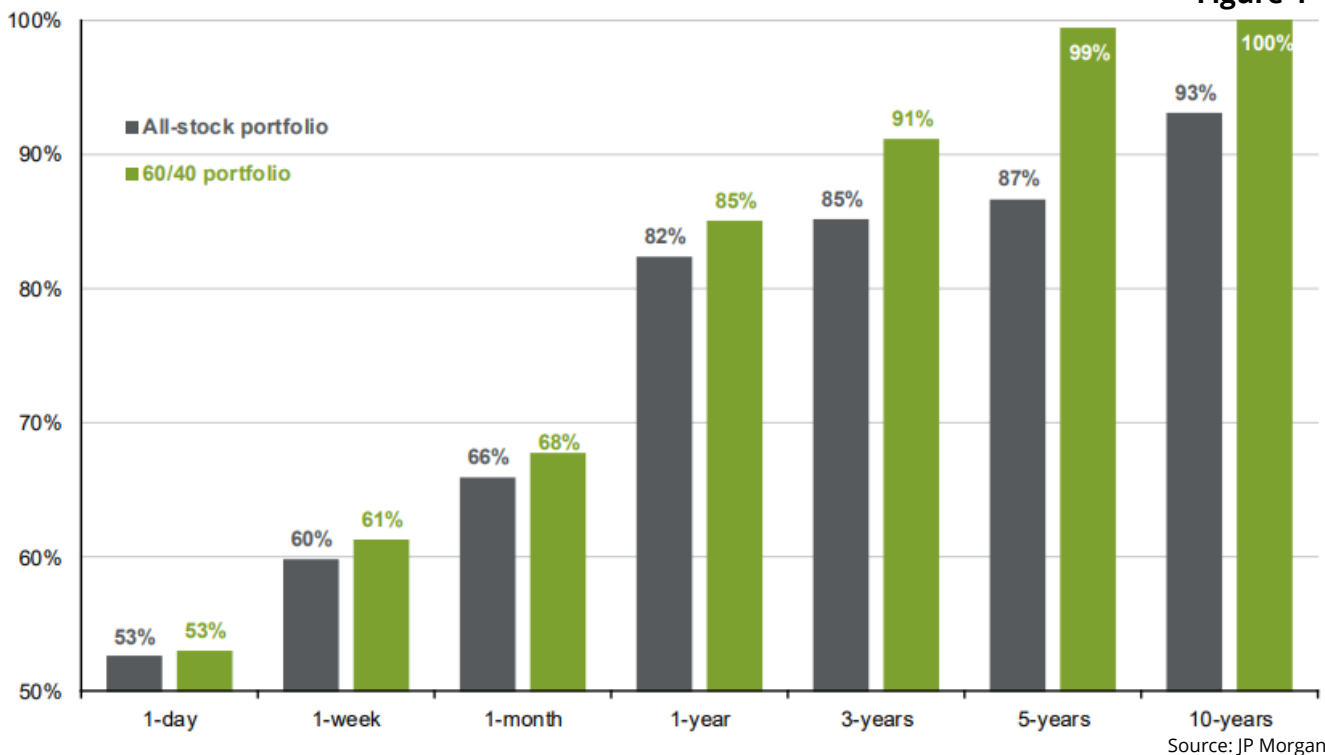


Figure 4

Fixed Income – Active Beats Passive

Opinions on active versus passive in public equity markets vary, but we believe an investor's fixed income investments should be actively managed, preferably by top-quartile managers with battle-tested track records, strong credit teams, and an investor base that is predominately institutional. Selecting inexpensive passive fixed income index strategies may seem like a reasonable option, but fixed income is different from equities, and in the long-run, active fixed income managers have generally outperformed passive strategies. When considering passive fixed income, there are two primary strategies, buy-and-hold and index tracking.

Buy-and-hold involves purchasing fixed income securities and holding them to maturity. There are no adjustments made in response to changing market conditions of short-term opportunities, and credit risk mitigation is sacrificed. Reinvestment risk is also a concern, as investors may find themselves reinvesting capital received at a bond's maturity at a lower yield if interest rates have declined.

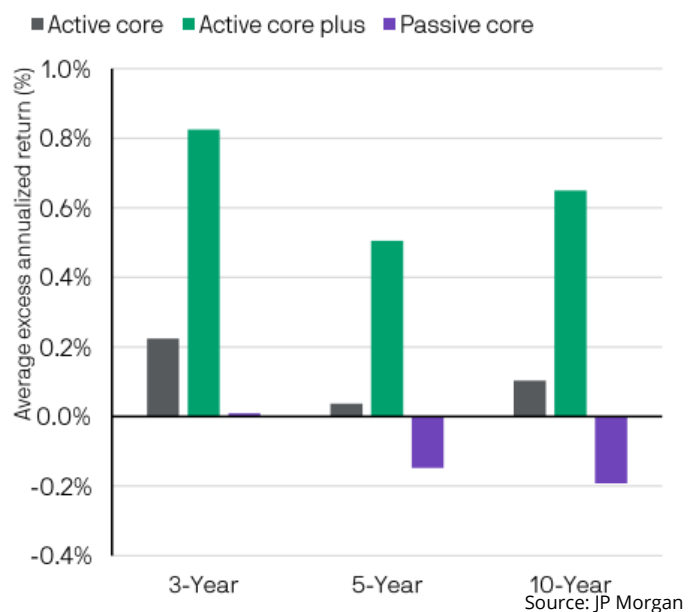
Index tracking attempts to replicate the performance of a specific fixed income index. Passive exchange traded funds, or mutual funds, attempt to mirror an index's return by holding the same, or similar securities, with adjustments made in parallel with the index without consideration to market shifts. A primary concern with this approach is that in replicating bond indices, passive strategies tend to reweight the largest debt issuers rather than selecting the most solvent companies. Additionally, by selecting a passive fixed income strategy, such as one that tracks the Bloomberg U.S. Aggregate Index, investors are limiting their exposures as nearly half of the U.S. bond market is not represented in the Index.

Active management attempts to outperform fixed income indices by taking into consideration factors including economic trends, interest rate movements, credit conditions, and investor needs. Importantly, managers are able to trade out of potential problems (e.g., defaults/downgrades) and explore opportunity sets outside of the index. The most common active approach is total return investing. This tactic involves combining income from coupon payments and price appreciation, with managers often selecting undervalued positions and selling them before maturity to lock in profits. Most importantly, active management offers flexibility and specialist discretion to exploit market inefficiencies, adjust credit quality, duration and geographic/sector/currency exposures to outperform index returns over time.

Figure 5

Case Study

Figure 5 shows the output of research conducted by JP Morgan as of April 30, 2026. The chart compares the average excess annualized returns of active fixed income strategies over passive indices tracking strategies (ex., Bloomberg U.S. Aggregate Bond Index) over the rolling 3-, 5- and 10-year periods. Note these results were taken from a broad selection of active fixed income managers and their passive peers. There is a wide dispersion among top and bottom managers, with larger and more institutionally-focused active managers reporting the strongest returns. Our advice is to select active managers that have proven themselves over multiple market cycles.



In the table below, we present our current tactical portfolio positions.

Tactical Positioning

Overall Position	UW	N	OW	Note
Equity				Quality; larger; NTM earnings up
Fixed Income & Credit				Diversify; exploit inefficiencies
Alternatives				Mid-market; secondaries
Cash				Dry powder
U.S. Equity				Neutral-to-overweight
Value				Balanced; growth and value
Growth				
Size				
• Quality				
• Momentum				
International Equity				Underweight-to-neutral
Private Equity				
Duration				
IG Fixed Income (AGG)				
• USD				
• Global				
High Yield Credit				Bonds over bank loans
Private Credit				Senior secure, first lien
Public Real Estate (REITs)				
Private Core Real Estate				
Infrastructure				Inflation-lined revenues
Transportation				
Hedge Funds				

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