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Market Recap

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FINANCIAL
PLANNING



TOTAL NET
WORTH
APPROACH



INVESTMENT
MANAGEMENT



At Winthrop Wealth, we follow a **Total Net Worth Approach** to wealth management that combines both comprehensive financial planning and investment management. The financial plan helps define cash flow needs, seeks to optimize account structures, considers tax mitigation strategies, and determines the appropriate asset allocation based on the client's willingness and ability to take risk. Based on the output of the financial plan, our investment management process designs a well-diversified portfolio constructed with a long-term methodology based on prudent risk management, asset allocation, and security selection. *For clients who receive both financial planning and investment advisory services under agreement. No strategy assures success or protects against loss. Investing involves risk, including loss of principle.*

The US equity market rebounded strongly in April, with the S&P 500 increasing by +10.5%, marking its best monthly return since November 2020. Year-to-date, the index is now higher by +5.7% and it closed above 7,200 for the first time on the final day of the month. The rally was supported by a reduction in near-term geopolitical risk following the ceasefire, as well as continued strength in corporate earnings and upward revisions to estimates, which have continued to drive equity market performance. After declining by approximately -9% from early February through late March, the index has rebounded by nearly +14% from the low. Recent market volatility reinforces our belief in the importance of maintaining a disciplined long-term perspective. Please see our [Principles for Long-Term Investing](#).

- **US/Iran Conflict and Energy Market Disruption:** The conflict has moved to an indefinite ceasefire, with both sides having engaged in initial talks, though no additional negotiations are currently scheduled. While tensions have eased at the margin, the Strait of Hormuz remains effectively closed and the risk of renewed fighting persists, leaving energy markets disrupted. Oil prices have remained elevated near \$105 per barrel, continuing to act as a headwind by pushing inflation expectations and interest rates higher and tightening financial conditions.
- **Earnings Remain a Key Support:** Corporate earnings have remained resilient despite elevated geopolitical uncertainty. With first quarter earnings season approximately 50% complete, S&P 500 earnings are expected to grow by +15.1% year-over-year, according to FactSet. Growth has been led by the technology sector, where earnings are expected to increase by over +46%, supported by continued investment in artificial intelligence. Alphabet, Amazon, Microsoft, and Meta reported earnings late in the month and collectively forecasted approximately \$700 billion in capital expenditures this year, underscoring the scale of ongoing investment in AI infrastructure. Earnings are expected to grow by +19% in 2026 and +16% in 2027.
- **Market Leadership Reverses:** April marked a reversal in leadership, with growth stocks rallying significantly after declining in the first quarter. The Magnificent 7 increased by +14.5% on average, with Alphabet (+33.1%) and Amazon (+27.3%) leading the group, alongside solid gains from Nvidia (+14.4%) and Microsoft (+10.2%). This strength helped drive Communication Services (+18.5%), Technology (+17.5%), and Consumer Discretionary (+11.7%) to double-digit gains as the best-performing sectors. In contrast, more defensive areas such as Consumer Staples (+3.1%), Utilities (+2.1%), and Health Care (-0.5%) lagged, while Energy (-3.5%) declined despite elevated oil prices.
 - Market rotations have been pronounced in recent years, reinforcing the importance of diversification. We construct [diversified portfolios](#) across regions, market caps, styles, and sectors, tilting toward areas we believe offer the most potential benefit. Our view remains that diversification can help deliver more consistent and less volatile results than an all-eggs-in-one-basket approach. *There is no guarantee that a diversified portfolio will enhance overall returns or outperform a non-diversified portfolio. Diversification does not protect against market risk.*

Short-Term Outlook: Our short-term outlook has shifted back to a more cautious stance following the recent rebound in equity markets to new all-time highs. The rally has been supported by continued improvement in earnings estimates, reinforcing the underlying resilience of the market. At the same time, geopolitical risks remain elevated and energy prices continue to put upward pressure on inflation, creating the potential for renewed volatility. In this environment, we believe it is prudent to remain disciplined by maintaining regular rebalancing toward long-term targets, opportunistically raising cash for distributions, and positioning portfolios to manage downside risk while remaining prepared to participate in potential upside. Key factors we are monitoring include the path of energy prices, the evolution of monetary policy under new Fed leadership, emerging stress in the private credit space, the trajectory of artificial intelligence, and the overall health of the labor market.

Long-Term Philosophy: We apply a [Total Net Worth Approach](#) to wealth management that integrates comprehensive financial planning with a structured investment process. Markets have historically increased over time despite frequent drawdowns as successful corporations generate profits through advances in innovation and productivity. To capitalize on the [power of compounding](#), we believe in the benefits of staying **D**isciplined, **O**ppportunistic, and **D**iversified, while striving to **M**itigate fees, taxes, and expenses.

Historically, equity markets have recovered from recessions and downturns. Past performance is no guarantee of future returns. There is no guarantee that a diversified portfolio will enhance overall returns or outperform a non-diversified portfolio. Diversification does not protect against market risk.

All data sourced from Bloomberg as of 4/30/26

Fixed Income Markets

Interest Rates

Treasury yields moved modestly higher in April, with short-term rates remaining stable and modest increases across intermediate and longer-term maturities, reflecting continued upward pressure on inflation expectations from elevated energy prices.

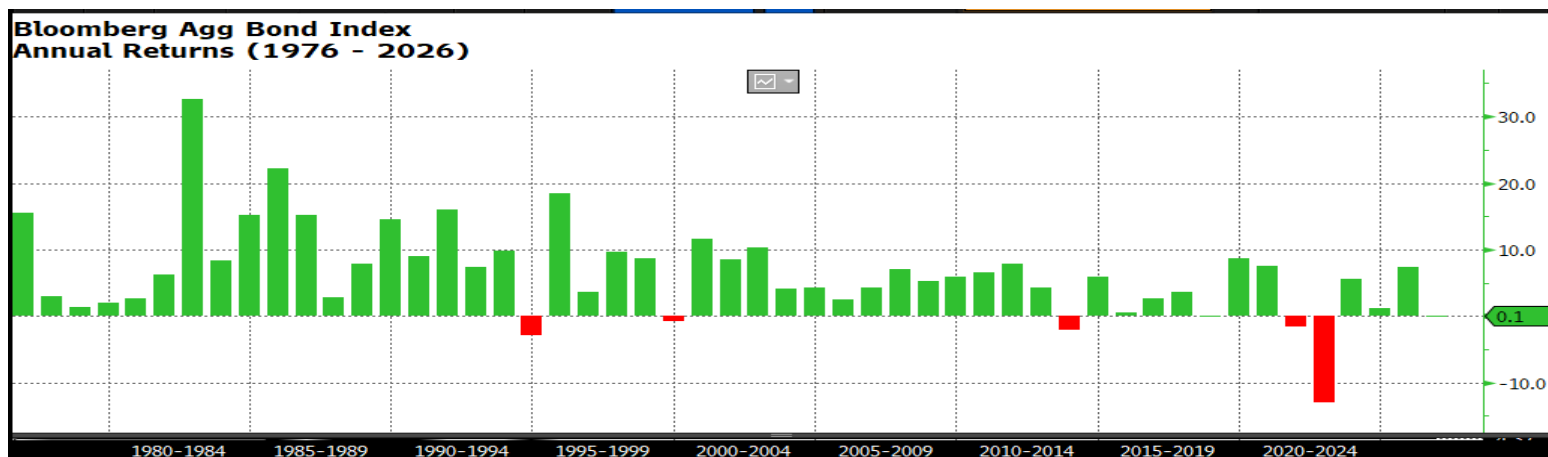
- **Short-Term Treasury Yields:** The Federal Reserve influences short-term interest rates by setting the Federal Funds rate.
 - Month-end levels: 3-Month: 3.66% (0%), 6-Month: 3.69% (0%), 12-Month: 3.71% (+0.1%).
 - According to Bloomberg, market pricing has shifted from roughly two 0.25% rate cuts this year to none. Expectations could shift back if energy prices moderate.
 - Investing in short-term Treasuries with 4%-5% yields was a great strategy over the past few years, but we believe that opportunity has passed, and investors now face reinvestment risk with lower rates at maturity. We suggest using short-term Treasuries to fund anticipated liabilities, and to invest any excess cash in longer maturities or in a diversified portfolio. *Investing involves risk including loss of principal. No strategy assures success or protects against loss.*
- **Long-Term Treasury Yields:** The market determines long-term yields based on supply dynamics, including elevated [federal debt](#) issuance and investor demand, which vary with expectations for future inflation and economic growth.
 - Month-end levels: 10-Year: 4.37% (+0.1%), 20-Year: 4.96% (0%), 30-Year: 4.97% (+0.1%).
 - As a reminder, mortgage rates are more closely tied to the 10-Year Treasury yield than the Federal Funds rate. The average 30-year mortgage rate increased to about 6.35%, in line with the rise in long-term yields over the past several weeks.

Intermediate-Term Bonds

The Bloomberg US Aggregate Bond Index (Agg), which serves as a proxy for the intermediate-term investment-grade bond market, increased slightly by +0.1% in April, despite a modest rise in the 10-Year Treasury yield. Year-to-date, the Agg is also higher by +0.1%. Bond prices move inversely to interest rates and credit spreads. Please see our [Bond Primer](#).

As a reminder, we hold fixed income to seek ballast, stability, and income. Ballast refers to the ability to help offset equity risk during periods of volatility. Bonds did not provide meaningful ballast during the March selloff, declining by about -1.8% while equities fell by -5.0%, due to the rapid increase in interest rates. While periods like this can be frustrating, maintaining a long-term perspective is important, as we still expect intermediate-term bonds to provide both ballast and positive returns as yields either stabilize or decline. Bonds have historically performed well in more stable rate environments; since late October 2022, the 10-Year Treasury yield has started and ended the period at roughly 4.3%, while the Agg delivered nearly +20% in total return (+5.3% annualized).

In our opinion, intermediate-term bonds remain an attractive investment opportunity, as the yield to maturity on the US Aggregate Bond Index ended the month at 4.6%. Yield to maturity is defined as the estimated annualized rate of return an investor can expect on a bond if purchased today and held to maturity, assuming the issuer makes all of the interest and principal payments (i.e., no defaults). *Bonds are subject to market and interest rate risk if sold prior to maturity. Bond values will decline as interest rates rise and bonds are subject to availability and change in price.*



Source: Bloomberg.

Monetary Policy

"We think our policy stance is in a very good place for us to wait and see... we're at the high end of neutral, meaning interest rates are not stimulating the economy and may be modestly restrictive... and we will determine the extent and timing of any changes to interest rates based on the incoming data."

- Fed Chair Jerome Powell, FOMC Press Conference (April 2026)

At their April meeting, the FOMC kept the top end of the Federal Funds rate unchanged at 3.75%, marking the third consecutive meeting without a change since December 2025. The Fed is in "wait and see" mode as it balances both sides of its dual mandate, maximum employment and stable prices. The labor market remains in a "low firing, low hiring" environment, with both job gains and layoffs subdued. At the same time, the conflict in the Middle East has pushed energy prices higher, contributing to elevated inflation, though the duration is uncertain. Chair Powell noted that the center of the committee is moving toward a more neutral stance, suggesting a bias toward keeping rates steady. Market pricing reflects this view, with investors now expecting the Fed to remain on hold for the rest of the year, having removed two expected rate cuts since the conflict began. Moving forward, the path of oil prices will be critical. Sustained elevated prices could shift consensus toward a tightening bias, while a reversal would likely put rate cuts back on the table.

The Fed is approaching a leadership transition in the coming weeks. Fed Chair nominee [Kevin Warsh](#) was confirmed by the Senate Banking Committee on April 29th after the Department of Justice closed its investigation into current Chair Jerome Powell. Warsh's nomination now moves to the full Senate, where he is expected to be confirmed by a simple majority ahead of Powell's term ending on May 15th. Chair Powell has indicated that he plans to remain on the Board of Governors for a period, though the timing of his departure remains uncertain. This transition is expected to be orderly, though it introduces an additional layer of uncertainty as markets assess how Warsh's leadership may impact monetary policy in both normal conditions and periods of stress.

US Economy

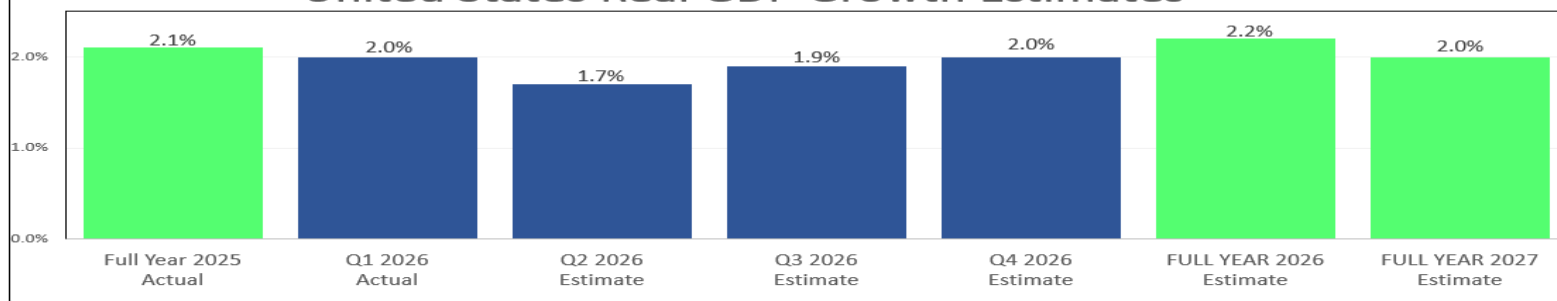
"At this point, the underlying economy still remains relatively robust... but CEOs are watching closely how rising commodity prices translate into the economy and consumer demand, and if the conflict drags, that will likely become a headwind."

- David Solomon, Chairman and CEO, Goldman Sachs (April 2026)

The US economy continues to expand, though the outlook has become more uncertain amid the conflict between the US and Iran and the associated increase in energy prices. Real GDP increased at a +2.0% seasonally adjusted annual rate in the first quarter. Personal consumption, which represents roughly 70% of GDP, increased +1.6%, reflecting continued but moderating demand. Looking ahead, economic growth is estimated at approximately +2.0% in both 2026 and 2027.

The labor market remains stable, though hiring activity has slowed and job gains have moderated. At the same time, inflation pressures have moved higher, with PCE inflation increasing +3.5% year-over-year in March and expected to rise further in April as energy prices have remained elevated. These pressures are expected to weigh more heavily on lower-income households, where spending is more sensitive to fuel and utility costs. In contrast, consumer spending at the upper end of the income spectrum remains supported by the wealth effect. As a result, the US economy remains uneven, with resilience at the top offset by strain at the lower end. The path of growth will depend on how long the conflict persists and energy prices remain elevated, and whether these pressures weigh more broadly on consumer demand.

United States Real GDP Growth Estimates



Source: Bloomberg.

APRIL 2026 MARKET RETURNS

US Equity														
Index	April	2026	2025	2024	2023	2022	2021	2020		1-Year	3-Year	5-Year	10-Year	20-Year
S&P 500	10.49%	5.69%	17.86%	25.00%	26.26%	-18.12%	28.68%	18.39%		31.02%	21.64%	13.11%	15.23%	10.99%
Russell 3000	10.21%	5.83%	17.13%	23.80%	25.93%	-19.22%	25.64%	20.88%		30.98%	21.26%	11.89%	14.73%	10.72%
Dow Jones Industrial Average	7.24%	3.81%	14.92%	14.99%	16.18%	-6.86%	20.95%	9.72%		24.17%	15.45%	10.03%	13.20%	10.23%
Nasdaq	15.32%	7.29%	21.17%	29.60%	44.70%	-32.51%	22.21%	45.06%		43.60%	27.65%	13.12%	19.04%	13.74%
S&P 400	7.86%	10.55%	7.48%	13.89%	16.39%	-13.12%	24.73%	13.65%		29.47%	15.21%	7.55%	11.25%	9.48%
Russell 2000	12.29%	13.32%	12.79%	11.52%	16.88%	-20.46%	14.78%	19.93%		44.55%	18.18%	5.74%	10.96%	8.14%
Russell 1000 Growth	11.90%	0.95%	18.55%	33.35%	42.67%	-29.14%	27.59%	38.49%		30.63%	25.37%	13.80%	18.24%	13.11%
Russell 1000 Value	8.15%	10.39%	15.88%	14.35%	11.42%	-7.56%	25.12%	2.78%		29.19%	16.70%	10.25%	11.18%	8.38%
International Equity														
MSCI Index	April	2026	2025	2024	2023	2022	2021	2020		1-Year	3-Year	5-Year	10-Year	20-Year
EAFE	7.45%	6.12%	31.22%	3.82%	18.24%	-14.45%	11.26%	7.82%		24.60%	15.28%	8.82%	8.84%	5.17%
Europe	8.21%	3.60%	40.30%	2.64%	22.94%	-17.86%	13.54%	7.89%		22.94%	15.89%	9.32%	9.42%	4.89%
Japan	9.15%	10.65%	24.60%	8.31%	20.32%	-16.65%	1.71%	14.48%		30.57%	18.99%	8.77%	8.95%	4.25%
China	3.63%	-5.63%	31.17%	19.42%	-11.20%	-21.93%	-21.72%	29.49%		12.42%	9.74%	-4.49%	5.46%	6.18%
Emerging Markets	14.71%	14.52%	33.57%	7.50%	9.83%	-20.09%	-2.54%	18.31%		46.68%	20.65%	6.05%	9.22%	5.74%
All Country World (ACWI)	10.17%	6.65%	22.34%	17.49%	22.20%	-18.36%	18.54%	16.25%		31.00%	19.82%	10.67%	12.24%	7.98%
ACWI ex US	9.65%	8.88%	32.39%	5.53%	15.62%	-16.00%	7.82%	10.65%		32.20%	17.37%	8.37%	9.09%	5.33%
US Fixed Income														
Bloomberg Index	April	2026	2025	2024	2023	2022	2021	2020		1-Year	3-Year	5-Year	10-Year	20-Year
Aggregate	0.11%	0.07%	7.30%	1.25%	5.53%	-13.01%	-1.54%	7.51%		4.06%	3.46%	0.18%	1.67%	3.30%
Treasury Bills	0.30%	1.19%	4.29%	5.32%	5.14%	1.52%	0.04%	0.54%		4.07%	4.81%	3.48%	2.29%	1.66%
Corporates	0.45%	-0.09%	7.77%	2.13%	8.52%	-15.76%	-1.04%	9.89%		5.29%	4.59%	0.63%	2.72%	4.35%
Securitized MBS/ABS/CMBS	0.08%	0.48%	8.49%	1.45%	5.08%	-11.67%	-1.04%	4.18%		5.49%	4.09%	0.44%	1.50%	3.14%
High Yield	1.69%	1.19%	8.62%	8.19%	13.45%	-11.19%	5.28%	7.11%		8.84%	8.84%	4.35%	5.89%	6.62%
Munis	1.15%	0.97%	4.25%	1.05%	6.40%	-8.53%	1.52%	5.21%		6.34%	3.34%	0.90%	2.20%	3.56%
US Equity Sectors														
Index	April	2026	2025	2024	2023	2022	2021	2020		1-Year	3-Year	5-Year	10-Year	20-Year
Technology	17.47%	6.74%	24.04%	36.61%	57.84%	-28.19%	34.53%	43.89%		49.17%	32.60%	20.76%	25.46%	16.81%
Real Estate	8.76%	11.76%	3.15%	5.23%	12.35%	-26.13%	46.20%	-2.17%		12.64%	9.80%	4.51%	7.23%	5.10%
Industrials	7.93%	12.91%	19.27%	17.30%	18.08%	-5.51%	21.10%	11.05%		34.67%	22.17%	13.08%	13.68%	10.25%
Energy	-3.46%	33.46%	8.68%	5.72%	-1.42%	65.47%	54.39%	-33.68%		52.40%	15.35%	24.01%	10.08%	6.97%
Consumer Discretionary	11.73%	1.47%	6.04%	30.14%	42.30%	-37.03%	24.43%	33.30%		25.23%	20.11%	7.17%	13.14%	11.86%
Communication Services	18.54%	10.32%	33.56%	40.23%	55.80%	-39.89%	21.57%	23.61%		55.91%	37.01%	15.07%	13.67%	10.64%
Consumer Staples	3.10%	11.01%	3.90%	14.87%	0.52%	-0.62%	18.63%	10.75%		8.27%	8.43%	8.71%	8.83%	10.03%
Utilities	2.09%	10.52%	16.04%	23.43%	-7.08%	1.56%	17.67%	0.48%		22.10%	14.26%	10.39%	10.38%	9.51%
Materials	2.70%	12.69%	10.54%	-0.04%	12.55%	-12.28%	27.28%	20.73%		23.85%	10.39%	6.37%	10.30%	8.10%
Financials	5.56%	-4.43%	14.97%	30.50%	12.10%	-10.57%	34.87%	-1.76%		8.43%	18.14%	9.43%	12.81%	5.36%
Health Care	-0.45%	-5.31%	14.60%	2.58%	2.06%	-1.95%	26.13%	13.45%		5.77%	4.82%	5.54%	9.60%	10.09%
	Calendar Year Returns									Annualized Returns				

Source: Bloomberg.

DISCLOSURES

Content in this material is for general information only and not intended to provide specific advice or recommendations for any individual.

The economic forecasts set forth in this material may not develop as predicted and there can be no guarantee that strategies promoted will be successful.

All indexes mentioned are unmanaged indexes which cannot be invested into directly. Unmanaged index returns do not reflect fees, expenses, or sales charges. Index performance is not indicative of the performance of any investment. Past performance is no guarantee of future results.

The Standard & Poor's 500 Index is a capitalization weighted index of 500 stocks designed to measure performance of the broad domestic economy through changes in the aggregate market value of 500 stocks representing all major industries.

The S&P Midcap 400 Stock Index is an unmanaged index generally representative of the market for the stocks of mid-sized US companies.

The Russell 2000 Index is an unmanaged index generally representative of the 2,000 smallest companies in the Russell 3000 index, which represents approximately 10% of the total market capitalization of the Russell 3000 Index.

The Russell 1000 Growth Index measures the performance of those Russell 1000 companies with higher price-to-book ratios and higher forecasted growth values. Russell 1000 Value Index measures the performance of those Russell 1000 companies with lower price-to-book ratios and lower forecasted growth values.

The Russell 3000 Growth Index is an unmanaged index comprised of those Russell 3000 companies with higher price-to-book ratios and higher forecasted growth values. The Russell 3000 Value Index measures the performance of those Russell 3000 companies with lower price-to-book ratios and lower forecasted growth values.

The prices of small cap stocks and mid cap stocks are generally more volatile than large cap stocks. The MSCI EAFE Index is a free float-adjusted market capitalization index that is designed to measure the equity market performance of developed markets, excluding the US & Canada.

The MSCI EAFE Index consists of the following developed country indices: Australia, Austria, Belgium, Denmark, Finland, France, Germany, Hong Kong, Ireland, Israel, Italy, Japan, the Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland and the UK.

The MSCI EM (Emerging Markets) Index is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of the emerging market countries of the Americas, Europe, the Middle East, Africa and Asia. The MSCI EM Index consists of the following emerging market country indices: Brazil, Chile, Colombia, Mexico, Peru, Czech Republic, Egypt, Greece, Hungary, Poland, Qatar, Russia, South Africa, Turkey, United Arab Emirates, China, India, Indonesia, Korea, Malaysia, Philippines, Taiwan, and Thailand.

The MSCI US Broad Market Index captures broad US equity coverage. The index includes 3,204 constituents across large, mid, small and micro capitalizations, representing about 99% of the US equity universe.

International investing involves special risks such as currency fluctuation and political instability and may not be suitable for all investors. These risks are often heightened for investments in emerging markets.

The Barclays Capital US Corporate High Yield Bond index is an index representative of the universe of fixed-rate, non-investment grade debt.

The Bloomberg Barclays US Aggregate Bond Index is a broad-based flagship benchmark that measures the investment grade, US dollar-denominated, fixed-rate taxable bond market.

DISCLOSURES

The Bloomberg Barclays US Treasury Bills 1-3 Month Index is designed to measure the performance of public obligations of the U.S. Treasury that have a remaining maturity of greater than or equal to 1 month and less than 3 months. The Index includes all publicly issued zero coupon U.S. Treasury Bills that have a remaining maturity of less than 3 months and at least 1 month, are rated investment grade, and have \$300 million or more of outstanding face value.

Bonds are subject to market and interest rate risk if sold prior to maturity. Bond values will decline as interest rates rise and bonds are subject to availability and change in price.

Government bonds and Treasury bills are guaranteed by the US government as to the timely payment of principal and interest and, if held to maturity, offer a fixed rate of return and fixed principal value.

Municipal bonds are subject to availability and change in price. They are subject to market and interest rate risk if sold prior to maturity. Bond values will decline as interest rates rise. Interest income may be subject to the alternative minimum tax. Municipal bonds are federally tax-free but other state and local taxes may apply. If sold prior to maturity, capital gains tax could apply.

High yield/junk bonds (grade BB or below) are not investment grade securities, and are subject to higher interest rate, credit, and liquidity risks than those graded BBB and above. They generally should be part of a diversified portfolio for sophisticated investors.

The market value of corporate bonds will fluctuate, and if the bond is sold prior to maturity, the investor's yield may differ from the advertised yield.

Asset allocation does not ensure a profit or protect against loss. There is no guarantee that a diversified portfolio will enhance overall returns or outperform a non-diversified portfolio.