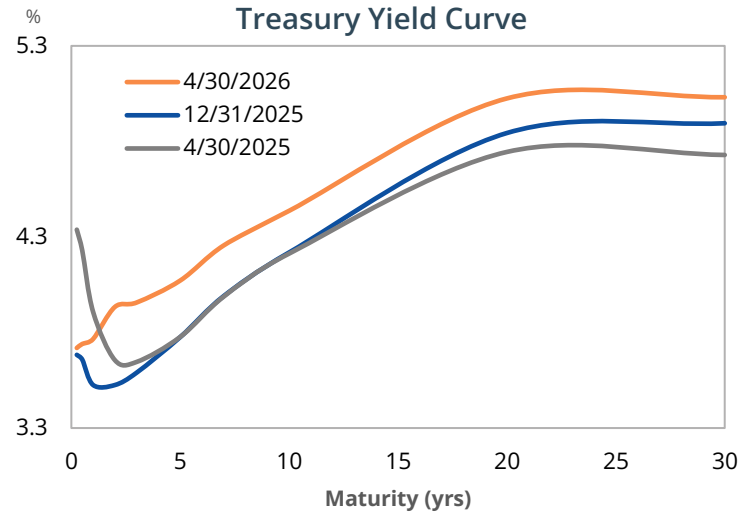


MARKET NEWS

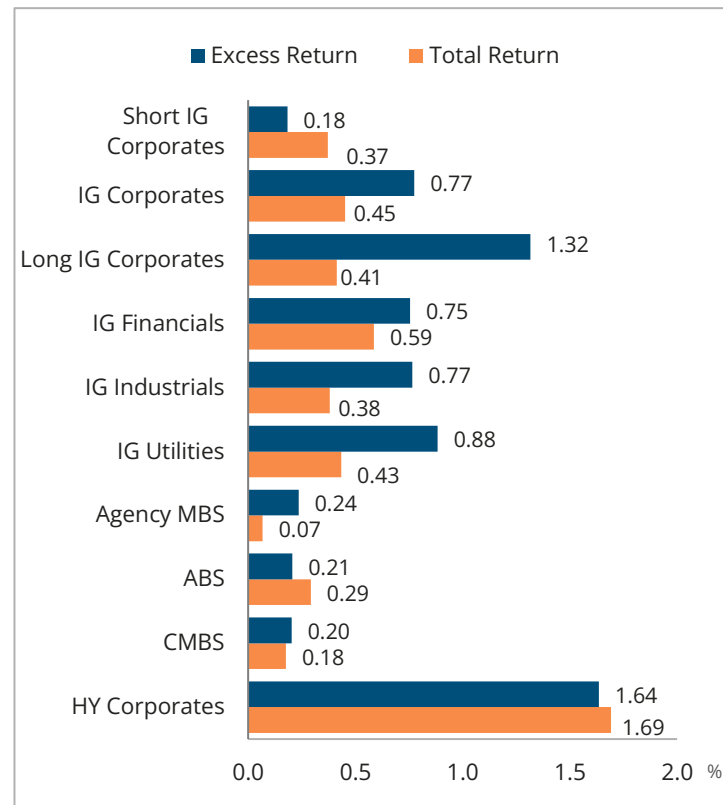
- Markets moved through April with a broadly constructive, risk-on tone, shaped by geopolitical developments in the Middle East, mixed inflation signals, and shifting expectations for US monetary policy
 - Oil prices saw some relief following a US-Iran ceasefire announcement and subsequent extension before ending the month higher
- March inflation data was mixed, as CPI grew 3.3% year-over-year, driven primarily by a sharp increase in energy costs, while Core CPI remained more subdued, growing 2.6% year-over-year
- Non-farm payrolls increased by 178k in March, exceeding estimates of 65k, while the unemployment rate declined to 4.3%, partially due to a decline in the labor participation rate
- The Federal Open Market Committee (FOMC) kept rates steady for a third straight meeting, though an unusually high number of dissents highlighted uncertainty around the Fed's policy stance amid the ongoing conflict in the Middle East
 - While the April meeting marked Jerome Powell's final one as Fed Chair, he signaled his intention to remain on the FOMC as a governor after his term ends on May 15
- Treasury yields ended the month higher, driven by growing expectations of a Fed rate hike; after bouts of steepening earlier in April, the curve ultimately flattened overall
- Investment-grade (IG) and high-yield (HY) corporate spreads tightened by 11bps and 49bps, respectively, to 78bps and 268bps, marking their lowest levels since the start of the US-Iran conflict
 - Basic Industry and Insurance were among the best performing sectors, while Communications lagged; lower-quality issuers outperformed higher-quality issuers, with CCCs outperforming BBs by 137bps
- IG issuance was robust throughout the month, led by sizable financial and technology deals; supply totaled \$178 billion, exceeding expectations and marking the second busiest April on record
 - New issue concessions have averaged 4bps year-to-date, compared to 2025's average of 3.3bps
- HY borrowers were similarly active, bringing \$38 billion to market, driven by center expansion and infrastructure-related bond sales, making it the busiest month since September 2025
- Agency mortgage-backed securities (MBS) outperformed other securitized sectors as interest rate volatility subsided; MBS spreads tightened 4bps to 20bps
- Municipal bonds outperformed Treasuries as muni/Treasury ratios fell across the curve

MARKET STATISTICS



Maturity	2-year	5-year	10-year	20-year	30-year
4/30/26	3.88	4.02	4.39	4.98	4.98
MTD Change	0.09	0.08	0.07	0.06	0.07
YTD Change	0.41	0.30	0.22	0.18	0.14

MTD Returns



As of 4/30/26. Sources: Bloomberg
 Excess returns are the curve-adjusted excess return of a given index relative to a term structure-matched position in Treasuries. This is not a recommendation to purchase or sell the securities mentioned above. The views contained in this report are those of Income Research + Management ("IR+M") and are based on information obtained by IR+M from sources that are believed to be reliable but IR+M makes no guarantee as to the accuracy or completeness of the underlying third-party data used to form IR+M's views and opinions. This report is for informational purposes only and is not intended to provide specific advice, recommendations, or projected returns for any particular IR+M product. No part of this material may be reproduced in any form, or referred to in any other publication, without express written permission from Income Research + Management. "Bloomberg®" and Bloomberg Indices are service marks of Bloomberg Finance L.P. and its affiliates, including Bloomberg Index Services Limited ("BISL"), the administrator of the index (collectively, "Bloomberg") and have been licensed for use for certain purposes by IR+M. Bloomberg is not affiliated with IR+M, and Bloomberg does not approve, endorse, review, or recommend the products described herein. Bloomberg does not guarantee the timeliness, accurateness, or completeness of any data or information relating to any IR+M product.