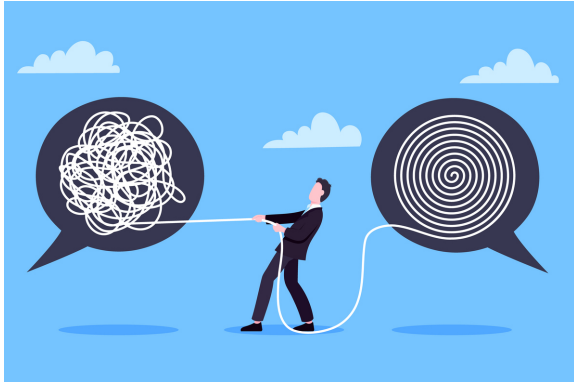


# Monthly Market Commentary

## Benchmark Returns AS OF APRIL 30, 2026

|                              | MONTH  | YTD   |                          | MONTH  | YTD    |
|------------------------------|--------|-------|--------------------------|--------|--------|
| S&P 500                      | 10.49% | 5.70% | Bloomberg Agg Bond Index | 0.11%  | 0.07%  |
| Dow Jones Industrial Average | 7.24%  | 3.81% | Developed International  | 7.56%  | 6.36%  |
| Nasdaq                       | 15.31% | 7.29% | Emerging Markets         | 14.73% | 14.61% |



## Resilient Equities Overcome Uncertainty

**U.S. financial markets delivered remarkably strong performance in April 2026. Equities advanced sharply despite a challenging backdrop of geopolitical tensions, oil price volatility, and persistent inflation concerns. The resilience of risk assets underscored the market's continued focus on earnings growth and the anticipation of AI-fueled productivity gains.**

Major equity indices posted outsized gains for the month. The S&P 500 recorded its strongest monthly advance since November 2020, rising more than 10%, and logging seven record closing highs. April's rally unfolded despite stalled U.S./Iran peace talks and the persistent closure of the Strait of Hormuz. The daily headlines from the Middle East conflict drove sharp swings in crude oil prices, but investors ultimately looked through these disruptions as fears of sustained supply shocks moderated.

Corporate earnings were the primary catalyst behind April's strength. The first-quarter reporting season is coming in decisively ahead of expectations. As of April 30th, 57% of the companies in the S&P 500 have issued earnings reports with

85% of these exceeding analysts' estimates. Overall earnings growth vs. 1Q25 currently exceeds 16%. Importantly, this strength has extended beyond mega-cap technology companies, with cyclical sectors such as industrials and healthcare also delivering upside surprises. The breadth of earnings growth has reinforced confidence in corporate profitability and margins, even as input costs remain elevated.

Economic data released during the month contributed to the constructive market tone. The advance estimate of first-quarter GDP indicated growth of 2.0%, a meaningful improvement from 4Q25's subdued 0.5% pace. Weekly jobless claims are nearing multi-decade lows, which indicates robust labor demand. The Personal Consumption Expenditures index for March showed overall prices rising 3.5% year over year. Although inflation remains above the Federal Reserve's stated 2.0% target, the combination of steady growth and a sturdy job market has reinforced the narrative that the U.S. economy can weather the impact of the war in Iran.

Monetary policy developments were also a focal point for investors. At its April 28-29 meeting, the Federal Open Market Committee elected to hold the federal funds rate steady at 3.50% - 3.75%, citing uncertainty tied to energy-driven inflation and geopolitical risks. The decision was widely anticipated but not unanimous. Four of the 12 voting members dissented, the most since 1992. Many market pundits welcomed the sign of debate within the Committee, which is often criticized for succumbing to "groupthink".

Against this backdrop, the confirmation hearings for Kevin Warsh as the next Federal Reserve Chair took on added significance. The approval of his nomination was virtually assured in a vote by the Senate Banking Committee. In his final post-meeting press conference on April 29th, current Chair Jay Powell set the stage for the May 15th transition, saying he was "confident that the Fed will continue to do its work with objectivity, integrity, and a deep commitment to serve the American people."

In summary, April highlighted the market's ability to advance in the face of uncertainty. Strong earnings, solid economic data, and a measured Federal Reserve have collectively supported equities, even as geopolitical risks and inflation pressures remain elevated. Looking ahead, the trajectory of oil prices and the evolution of monetary policy expectations will be critical determinants of market performance through the remainder of 2026.

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