

MONTH IN REVIEW

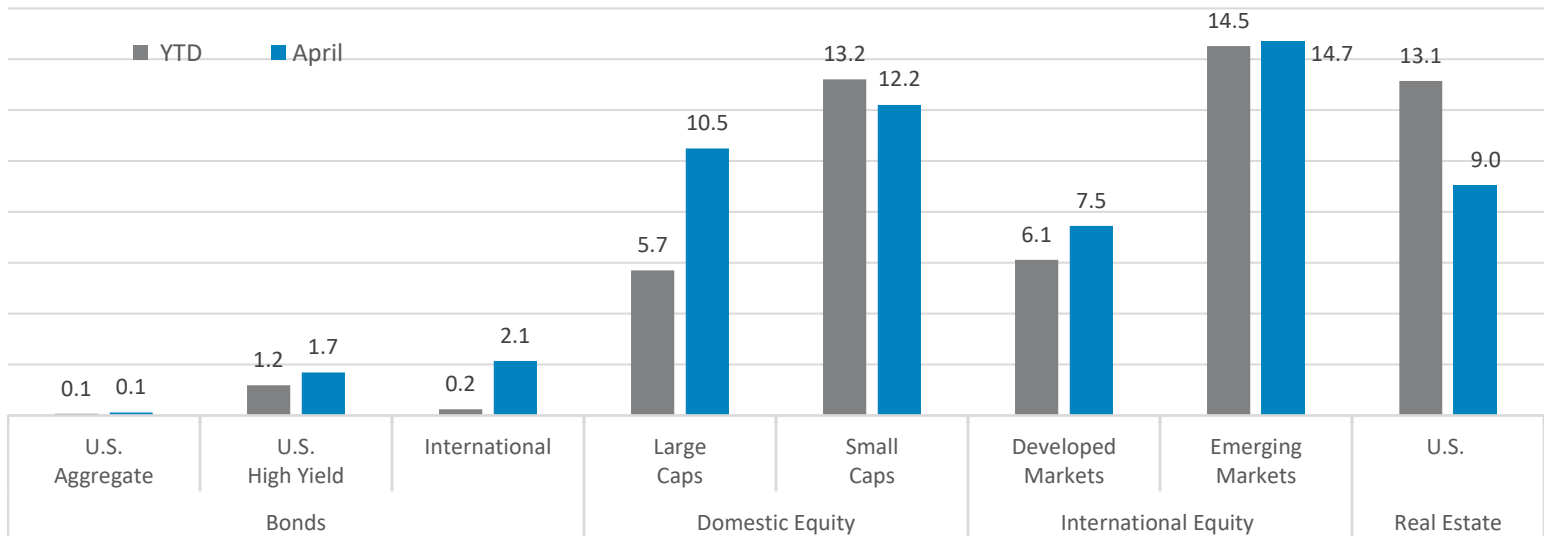
APRIL 2026

Quick Takes

- Equities Rallied.** U.S. stocks surged in April, with the S&P 500 rallying ~10.5% and the Nasdaq 100 soaring ~15.6%, both setting new all-time highs while the Dow rose ~7.1%, all on the back of renewed AI optimism and an Iran War ceasefire.
- Inflation & Interest Rates.** The 10Y treasury yield continued higher in April, rising ~5 basis points as markets continued to price in increased inflation risks surrounding the Iran War and disruptions to energy supply in the Strait of Hormuz. Rate cut hopes remained dashed with markets pricing zero rate cuts in 2026.
- U.S. Gas Prices Surge.** National average gas prices ended April at a price of \$4.39, up ~47% from \$2.98 at the end of February as the Iran War drove crude prices higher. Nearly three-quarters of March's 0.9% MoM CPI increase was attributable to gasoline, a trend that's expected to carry into April's reading as gas prices remain elevated.
- The Strait of Hormuz Squeeze.** Beyond crude oil, the Iran War has disrupted the supply of ~33% of global helium, ~20% of seaborne jet fuel, ~23% of ammonia, and roughly half of global seaborne sulfur supply, impacting industries from chips and aerospace to agriculture and beyond.

Asset Class Performance

U.S. small caps outperformed large caps in April as renewed risk appetite drove a broad rally. Global equities rebounded from their March slump with Emerging Markets leading the pack as markets increasingly looked through Iran War risks. Globally, fixed income posted modest gains despite continued upward pressure on yields.



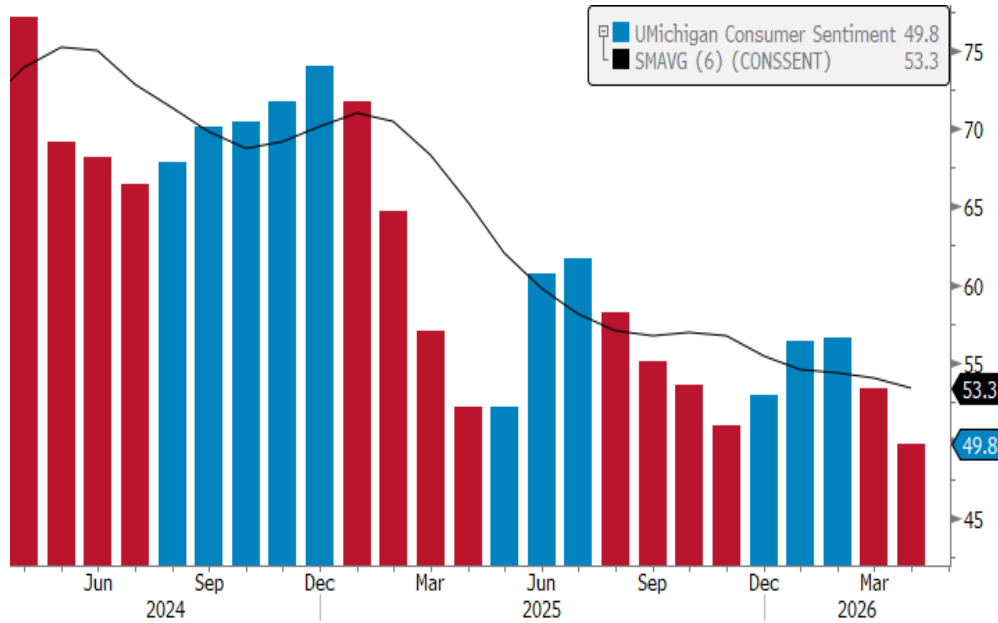
Source: Bloomberg, Goldman Sachs Investment Research, as of December 31, 2025. Asset-class performance is presented by using total returns for an index proxy that best represents the respective broad asset class. U.S. Bonds (Barclays U.S. Aggregate Bond TR), U.S. High Yield (Barclays U.S. HY 2% Issuer-Capped TR), International Bonds (Barclays Global Aggregate ex USD TR), Large Caps (S&P 500 TR), Small Caps (Russell 2000 TR), Developed Markets (MSCI EAFE NR USD), Emerging Markets (MSCI EM NR USD), Real Estate (FTSE NAREIT All Equity REITS TR).

Markets & Macroeconomics

Stocks rally as worries over consumer health and the Iran War persist.

University of Michigan Consumer Sentiment

Consumer sentiment notched its lowest reading on record



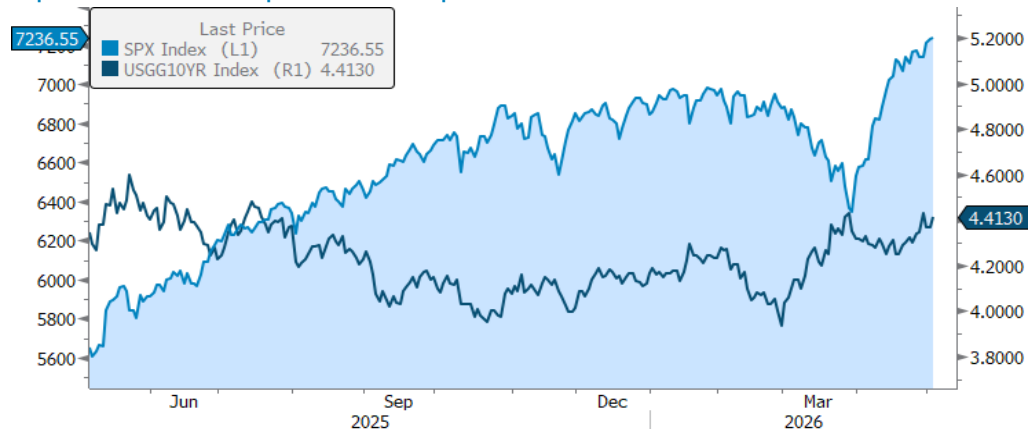
Source: Bloomberg, University of Michigan

The U.S. economy had two major and diverging narratives in April: As the Iran War dragged on and macro data sent mixed signals, the stock market had a historic rally to new all-time highs. University of Michigan consumer sentiment fell to 49.8, the lowest in its recorded history (monthly data began in 1978), breaking below the previous trough of 50.0 from June 2022, with broad-based declines across age, income, education, and political lines. Retail sales, however, jumped 1.7% in March's advance release, the largest gain in a year led by significantly higher gasoline receipts from prices spikes attributable to the Iran War. However, nearly every category in the report posted increases, suggesting resilient spending amidst inflationary worries. Headline CPI rose 3.3% YoY, the most since April 2024, with gasoline driving nearly three-quarters of the advance. Core CPI rose just 2.6% YoY, in line with expectations and even showing modest declines in used vehicles and

groceries. PPI rose 4.0% YoY, its largest gain since February 2023 but below the 4.6% consensus, as wholesale prices began to reflect the impacts of the Iran War on key industrial materials like energy, helium, and fertilizer. Despite inflationary worries, the advance Q1 2026 GDP reading showed the U.S. economy grew 2.0%,

S&P 500 vs 10Y Treasury Yields 1Y

Equities rallied in April on tech optimism and Yields rose on macro worries



Source: Bloomberg

accelerating from Q4 2025's 0.5%, bolstered by continued AI investment as business outlays growing 10.4%, the fastest in nearly three years. Given the mixed picture, the FOMC held its policy rate at 3.50%-3.75% in Fed Chair Jerome Powell's final meeting, drawing 4 dissents (the most since October 1992): three favoring the removal of easing language and one favoring a rate cut. Powell announced he plans to remain as a Fed governor when nominee Kevin Warsh takes over as Fed Chair. Despite the plethora of mixed economic data, the S&P 500 rallied ~10.4% to new all-time highs above 7,200 in its strongest month since November 2020 while the Nasdaq surged ~15.6%. The rally was driven by renewed AI optimism, catalyzed by strong earnings reports from critical semiconductor foundries like TSMC, alongside a U.S.-Iran ceasefire and moderating oil prices. Much of the rally came before Q1 earnings, suggesting that the market could be pricing the S&P 500's largest constituents as relatively insulated from a prolonged Iran conflict.

Bottom Line: Stagflation worries gripped consumers and the Fed in April, but markets decoupled from the Iran War and rallied to historic highs on renewed AI optimism.

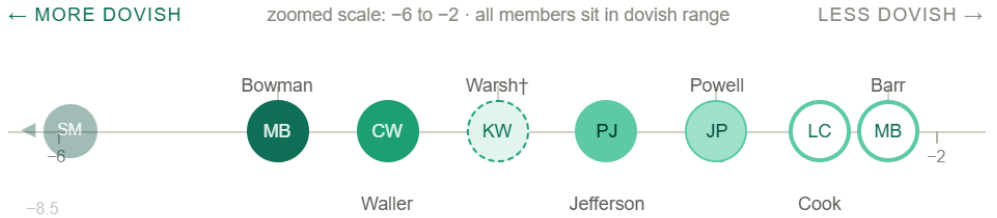
What's Ahead

The Current Tumultuous State of the FOMC

Kevin Warsh is slated to take over as Fed Chair following one of the most contentious nomination processes in the history of the central bank. Warsh cleared the Senate Banking Committee on a 13-11 partisan vote, the first in Fed history, after a lengthy battle from Republican Senator Thom Tillis, who refused to advance the nomination until the Justice Department dropped its criminal probe into Fed Chair Jerome Powell over Fed building renovation cost overruns. With the investigation dropped in late April after Warsh's nomination hearing, the Senate is expected to confirm Warsh ahead of Powell's term end on May 15. The transition, however, will not be as clean as anticipated by the White House. At his final FOMC press conference, Powell announced his intention to remain on the Board of Governors after the end of his term as Chair, citing concerns over Fed independence and the political pressures surrounding the central bank. This decision broke nearly 75 years of modern precedent in which the Fed Chair resigns from their Governor seat at the end of their Chair term, preserving a 4-3 majority of Biden-era board members and denying the Trump administration of the board seat it had been counting on. The April

Fed Board of Governors Hawk-Dove Spectrum

Where each governor stands and when their term expires



BIDEN / OBAMA

LC	Lisa Cook	exp. '38 · -2.5
PJ	Philip Jefferson	exp. '36 · -3.5
MB	Michael Barr	exp. '32 · -2.5
JP	Jerome Powell	exp. '28 · -3

TRUMP

CW	Christopher Waller	exp. '30 · -4.5
MB	Michelle Bowman	exp. '34 · -5
KW	Kevin Warsh†	exp. '30 · est.
SM	Stephen Miran	exp. '26 · -8.5

† Warsh est. dovish per Trump rate-cut mandate; unscored by MNI · Miran off-scale at -8.5; departing.

Source: Tim Cooper, MNI

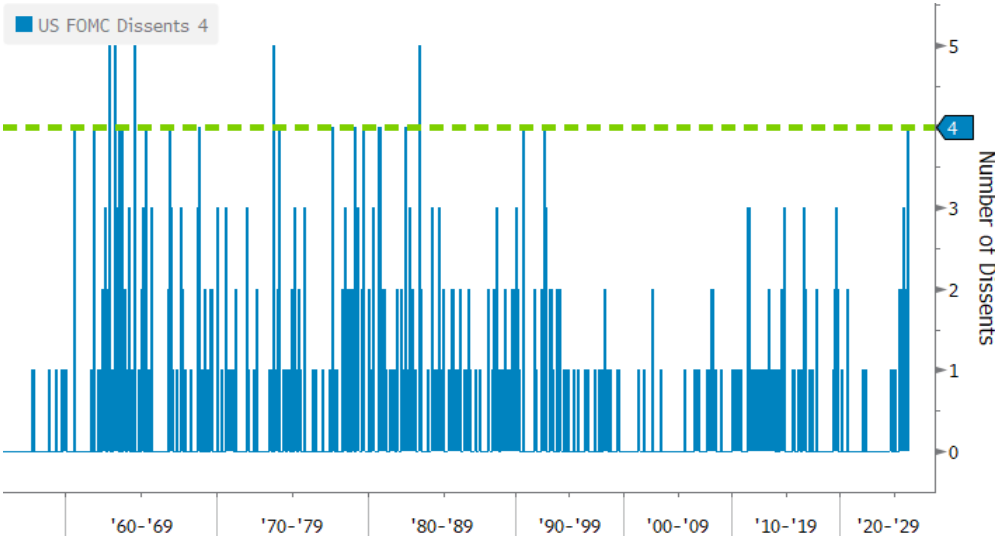
meeting also sent a clear message to Warsh about the pushback that he will inherit as the new Chair. The 8-4 vote carried the most dissents at a FOMC meeting since 1992, with three Fed Presidents dissenting against any easing language in the statement, signaling that rising energy prices, sticky inflation, and a potentially cooler labor market do not create a viable environment for a rate cut. Concerning

Warsh, markets will be watching closely for any signals on Warsh's philosophy. Long viewed as a hawk, Warsh was nominated under the expectation that he would take a much more dovish stance than Powell, aiding Trump's quest for rate cuts. His confirmation hearing struck a middle ground, emphasizing the Fed's independence and need to control inflation while also voicing support for alternative measures like trimmed-mean and median CPI. These measures would help offer the flexibility to look through the current tariff and oil-driven price spikes. Beyond rates, Warsh signaled his interest in reforming the FOMC to speak less, scale back forward guidance, and reduce the frequency of press conferences, while also signaling interest in the long-term reduction in the size of the Fed's balance sheet.

Bottom Line: Kevin Warsh is expected to take over the role of Fed Chair in one of the most challenging times in the institution's history, with sticky inflation, a volatile labor market, war-driven energy inflation, and the most divided FOMC since 1992. All eyes are on Warsh's inaugural meeting in June.

Fed Policy Dissents Spike

April's FOMC saw a rare 4 dissents, the most since 1992



Source: Federal Reserve, Bloomberg

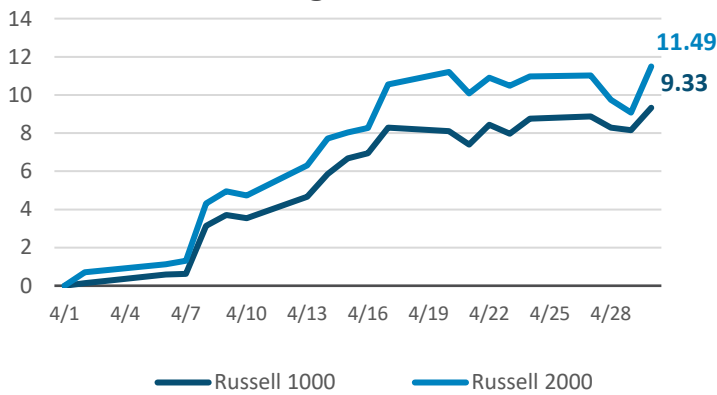
April 2026

Equity Themes

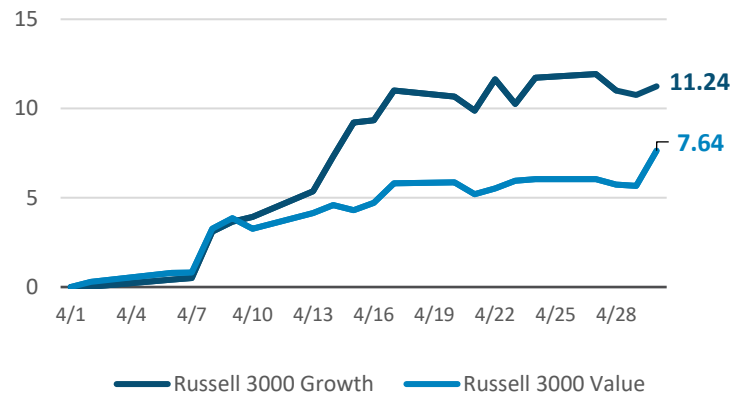
What Worked, What Didn't

- **Small Outperforms Large while Growth Outperforms Value.** Market participants moved into small cap and growth stocks in April as renewed AI optimism drove risk appetite
- **High Beta and Momentum Outperformed.** High beta trounced low volatility in April and momentum outperformed quality, diverging early in the month on risk-on sentiment
- **Domestic Over International, Emerging Over Developed.** Domestic equities rallied in April to outperform international stocks while emerging markets lead developed.

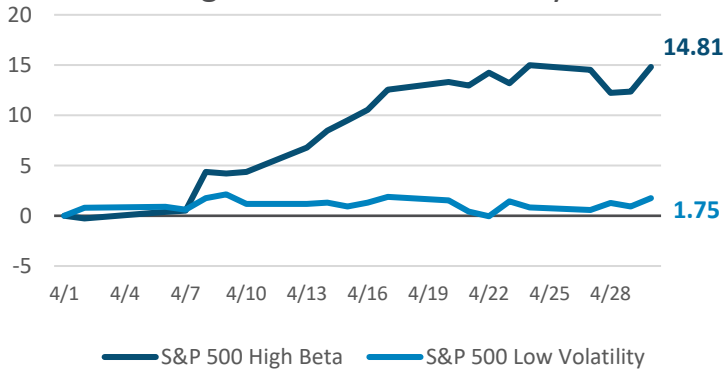
Large vs Small



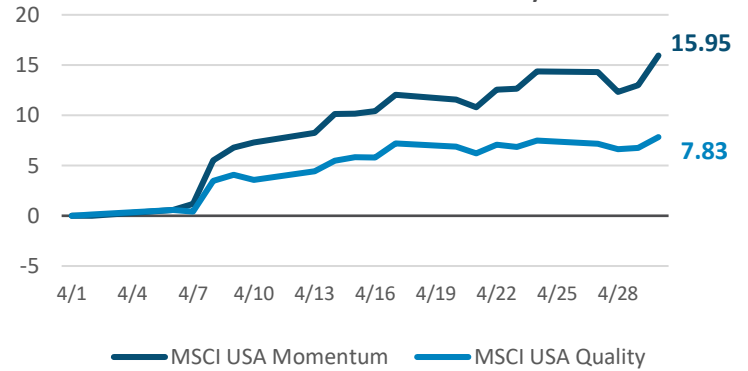
Growth vs Value



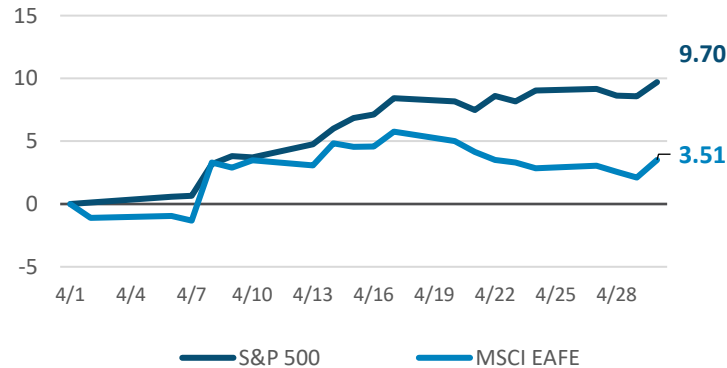
High Beta vs Low Volatility



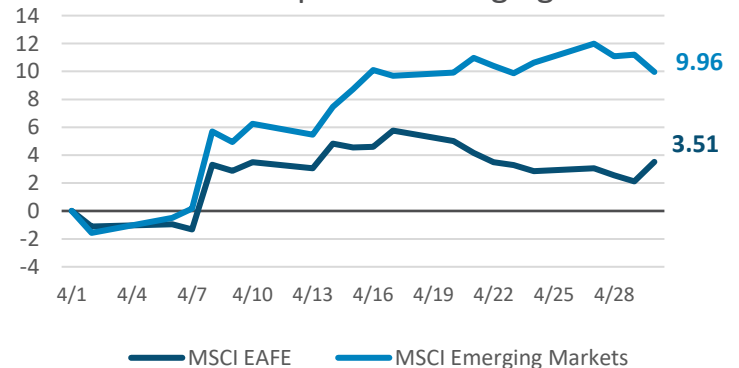
Momentum vs Quality



Domestic vs. International



Developed vs. Emerging



Source: Bloomberg.

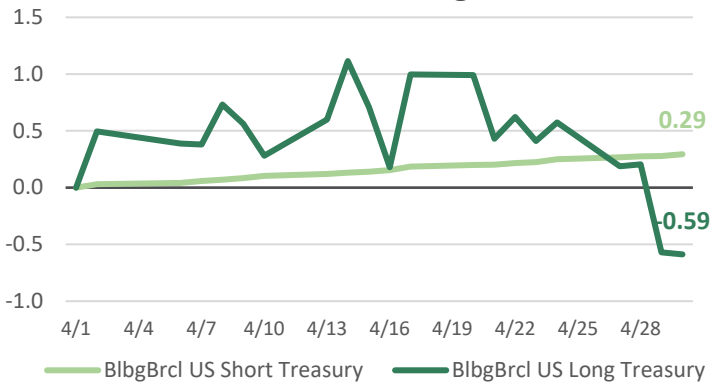
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Bond Themes

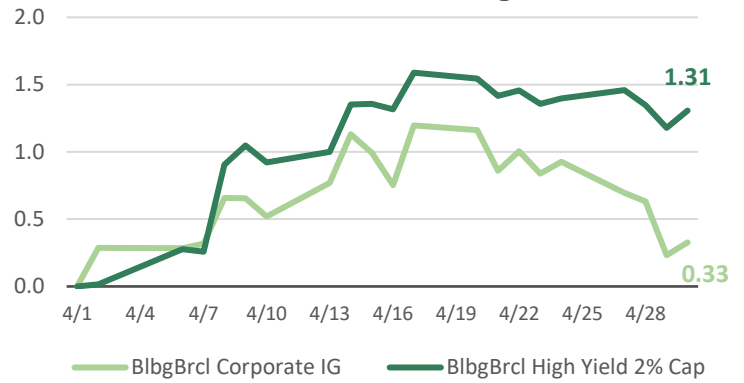
What Worked, What Didn't

- **Short Duration Outperformed Long while High Yield Beat Investment Grade.** Short duration treasuries outperformed long duration in April while high yield outperformed investment grade.
- **Credit Tops Duration while TIPS Beat Treasuries.** In April, credit outperformed duration while TIPS outperformed treasuries on concerns over inflation from the Iran War.
- **Munis Beat Taxable and International Outperformed Domestic.** Municipal bonds outperformed taxable, while international bonds outperformed their domestic peers in April.

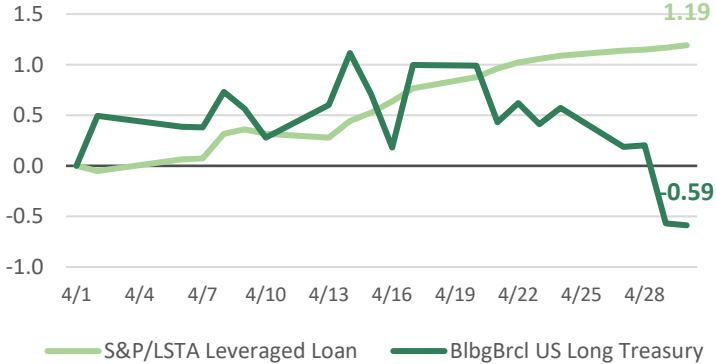
Short Duration vs Long Duration



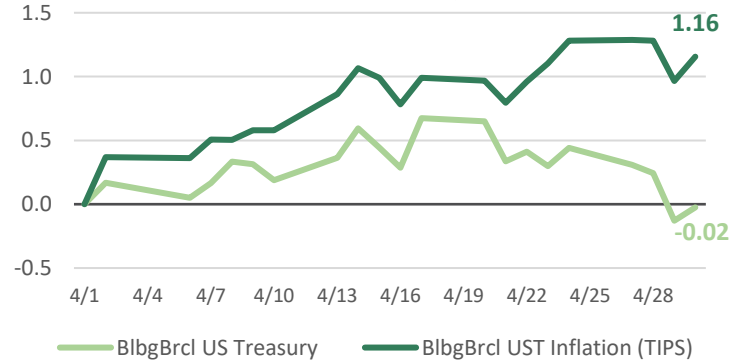
Investment Grade vs High Yield



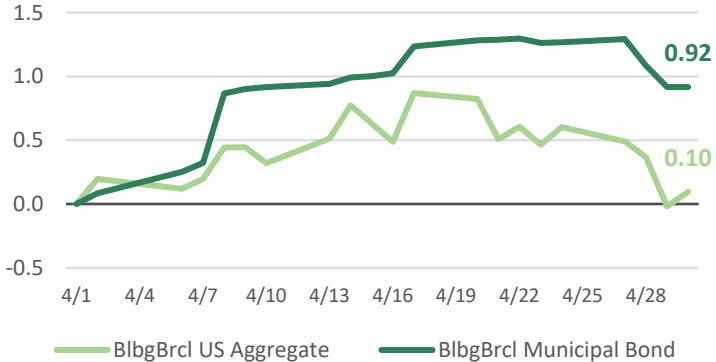
Credit vs Duration



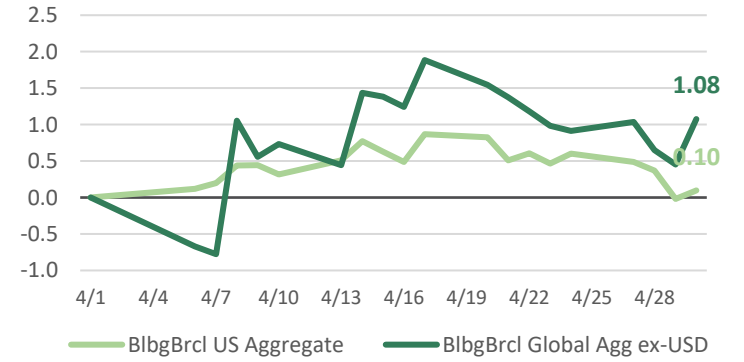
Treasury vs Treasury Inflation



Taxable vs. Municipal



Domestic vs. International



Source: Bloomberg.

April 2026

Asset Class Performance

The Importance of Diversification. From period to period there is no certainty what investment will be the best, or worst, performer. Diversification mitigates the risk of relying on any single investment and offers a host of long-term benefits, such as less portfolio volatility, improved risk-adjusted returns, and more effective compounding.

	Apr-01	Apr-02	Apr-06	Apr-07	Apr-08	Apr-09	Apr-10	Apr-13	Apr-14	Apr-15	Apr-16	Apr-17	Apr-20	Apr-21	Apr-22	Apr-23	Apr-24	Apr-27	Apr-28	Apr-29	Apr-30	Apr	YTD
High	IEQ 1.52	RE 1.44	EM 0.92	IBD 0.48	EM 5.46	RE 0.72	EM 0.46	SCG 2.12	SCG 2.06	LCG 1.81	RE 0.89	SCG 2.20	SCG 0.66	HYB -0.26	EM 1.82	RE 1.02	EM 2.23	SCV 0.41	RE 0.90	LCV 0.00	SCG 0.00	SCG 13.83	EM 16.96
	LCG 0.87	SCV 0.75	LCV 0.51	EM 0.35	IEQ 3.90	SCV 0.65	LCG 0.24	MCG 2.09	EM 1.92	SCG 0.61	MCV 0.52	SCV 2.07	SCV 0.55	USB -0.37	LCG 1.61	LCV 0.41	LCG 1.29	LCG 0.17	USB -0.04	SCG -0.05	IEQ 0.00	EM 11.81	SCV 14.96
	EM 0.77	SCG 0.70	IEQ 0.50	SCV 0.30	SCG 3.39	LCV 0.55	IEQ 0.23	LCG 1.38	LCG 1.80	MCG 0.59	LCV 0.41	MCG 1.98	MCG 0.52	MCV -0.50	SCG 0.89	MCV 0.22	SCG 0.63	HYB 0.04	HYB -0.14	LCG -0.23	MCG 0.00	LCG 10.92	MCV 11.45
	SCG 0.75	MCV 0.50	MCG 0.50	SCG 0.16	MCG 2.79	SCG 0.50	RE 0.12	MCG 1.06	MCG 1.04	60/40 0.06	EM 0.40	EM 1.91	MCV 0.42	LCV -0.62	SCV 0.42	SCV 0.16	IEQ 0.52	MCV 0.03	LCV -0.26	HYB -0.34	EM 0.00	SCV 8.91	SCG 11.45
	MCV 0.67	MCG 0.31	SCG 0.42	USB 0.12	LCG 2.59	LCG 0.46	IBD 0.06	EM 0.84	RE 0.98	RE 0.05	SCG 0.20	RE 1.60	RE 0.24	LCG -0.73	60/40 0.39	USB -0.16	60/40 0.47	LCV 0.01	60/40 -0.39	MCV -0.42	LCV 0.00	RE 8.17	LCV 10.36
	60/40 0.62	LCV 0.27	MCV 0.41	RE 0.09	MCV 2.58	MCV 0.22	60/40 -0.09	LCV 0.84	IBD 0.88	IBD -0.03	SCV 0.16	LCG 1.53	LCV 0.06	IBD -0.78	IEQ 0.33	HYB -0.16	IBD 0.46	IBD 0.00	IEQ -0.41	USB -0.44	SCV 0.00	LCV 7.59	RE 9.61
	SCV 0.62	HYB 0.24	LCG 0.40	60/40 0.06	SCV 2.57	HYB 0.11	-0.17	0.76	IEQ 0.81	-0.05	0.07	LCG 1.31	USB -0.01	-0.93	0.30	-0.23	0.35	-0.10	-0.44	-0.48	0.00	MCV 6.82	MCV 6.55
	LCV 0.59	USB 0.23	SCV 0.36	LCG 0.05	LCV 2.43	60/40 0.08	-0.19	0.67	60/40 0.78	-0.06	0.01	IEQ 1.27	IBD -0.06	-0.93	0.16	-0.40	0.20	-0.12	-0.45	-0.48	0.00	MCV 5.84	60/40 4.85
	MCG 0.52	60/40 0.00	60/40 0.26	LCV 0.03	60/40 2.16	IBD 0.06	-0.26	0.62	0.62	-0.08	-0.14	1.04	HYB -0.09	-0.95	0.14	-0.72	0.14	-0.14	-0.68	60/40 -0.51	60/40 0.00	60/40 4.75	HYB 1.16
	IBD 0.50	LCG -0.02	HYB 0.18	HYB 0.03	RE 1.79	USB 0.06	-0.40	0.43	0.46	-0.16	-0.14	0.98	60/40 -0.09	-1.07	-0.12	-0.72	0.14	-0.15	-0.76	-0.55	0.00	IBD 3.76	LCG 0.89
	RE 0.34	IBD -0.39	RE 0.12	MCV -0.01	IBD 1.47	IEQ -0.23	-0.45	0.38	0.35	-0.32	-0.16	0.53	LCG -0.35	-1.47	-0.29	-0.83	0.07	-0.16	-1.02	-0.83	0.00	LCG 1.99	USB 0.19
	HYB 0.24	IEQ -0.62	IBD 0.10	IEQ -0.14	HYB 0.59	EM -0.26	-0.59	0.20	0.30	-0.32	-0.22	0.37	IEQ -0.39	-1.72	-0.41	-1.22	-0.17	-0.38	-1.37	-1.02	0.00	HYB 1.27	IBD -0.37
Low	USB 0.07	EM -1.12	USB -0.18	MCG -0.56	USB 0.26	MCG -0.97	-0.80	-0.03	0.26	-0.36	-0.29	0.37	EM -0.72	-2.19	-0.81	-1.63	-0.25	-0.57	-1.77	-1.31	0.00	USB 0.10	MCG -0.42

Legend

60/40 Allocation (60/40)

Large Growth (LCG)

Large Value (LCV)

Mid Growth (MCG)

Mid Value (MCV)

Small Growth (SCG)

Small Value (SCV)

Intl Equity (IEQ)

Emg Markets (EM)

U.S. Bonds (USB)

High Yield Bond (HYB)

Intl Bonds (IBD)

Real Estate (RE)

Source: Sources for this market commentary derived from Bloomberg. Asset-class performance is presented by using market returns from an exchange-traded fund (ETF) proxy that best represents its respective broad asset class. Returns shown are net of fund fees and do not necessarily represent performance of specific mutual funds and/or exchange-traded funds recommended by Prime Capital Financial. The performance of those funds in February may be substantially different than the performance of the broad asset classes and to proxy ETFs represented here. U.S. Bonds (iShares Core U.S. Aggregate Bond ETF); High-Yield Bond (iShares iBoxx \$ High Yield Corporate Bond ETF); Intl Bonds (SPDR® Bloomberg Barclays International Corporate Bond ETF); Large Growth (iShares Russell 1000 Growth ETF); Large Value (iShares Russell 1000 Value ETF); Mid Growth (iShares Russell Mid-Cap Growth ETF); Mid Value (iShares Russell Mid-Cap Value ETF); Small Growth (iShares Russell 2000 Growth ETF); Small Value (iShares Russell 2000 Value ETF); Intl Equity (iShares MSCI EAFE ETF); Emg Markets (iShares MSCI Emerging Markets ETF); and Real Estate (iShares U.S. Real Estate ETF). The return displayed as "Allocation" is a weighted average of the ETF proxies shown as represented by: 30% U.S. Bonds, 5% International Bonds, 5% High Yield Bonds, 10% Large Growth, 10% Large Value, 4% Mid Growth, 4% Mid Value, 2% Small Growth, 2% Small Value, 18% International Stock, 7% Emerging Markets, 3% Real Estate. 080223006 - MAH

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