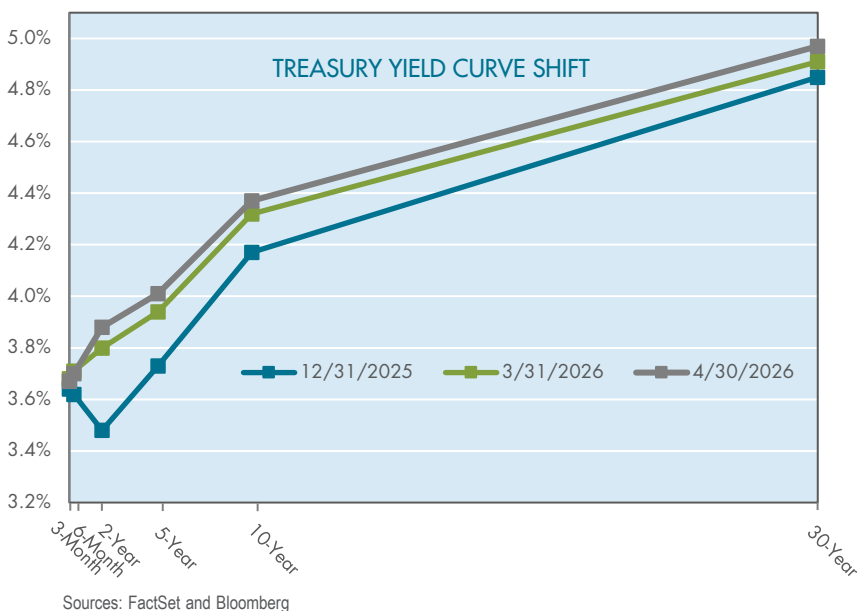


**KEY TAKEAWAYS**

- Risk assets rallied following the announcement of a cease fire with Iran on April 7. Negotiations stalled as the month went on, but risk markets seemingly looked through geopolitical risks and focused instead on the emergence of strong corporate earnings growth.
- Broadly, interest rates were higher across the Treasury market curve, with 2-years and longer rising the most. Spread product tightened versus Treasuries, as risk assets outperformed. The US Aggregate Bond Index posted a return of +0.11% for the month.
- The Federal Open Market Committee held rates steady in April, given "uncertainty about the economic outlook" due to "developments in the Middle East." There were four dissenters, with one preferring to cut rates and three others who wanted to remove the easing bias.

**TAXABLE BOND MARKET UPDATE & OUTLOOK**



US TREASURY YIELDS					
	12/31/25	3/31/26	4/30/26	MTD Change (bps)	YTD Change (bps)
3-Month	3.64%	3.68%	3.67%	-1	+3
6-Month	3.62%	3.71%	3.70%	-1	+8
2-Year	3.48%	3.80%	3.88%	+8	+40
5-Year	3.73%	3.94%	4.01%	+7	+28
10-Year	4.17%	4.32%	4.37%	+5	+20
30-Year	4.85%	4.91%	4.97%	+6	+12

FIXED INCOME SECTOR PERFORMANCE			
	MTD	YTD	Yield to Worst
Bloomberg Aggregate Index	0.11%	0.07%	4.61%
US Treasuries	-0.07%	-0.12%	4.21%
Investment Grade Corporates	0.45%	-0.09%	5.14%
Mortgage-Backed Securities	0.07%	0.47%	4.89%
Asset-Backed Securities	0.29%	0.61%	4.45%
Preferred Securities	2.23%	0.80%	6.25%
Taxable Municipal Bonds	-0.31%	0.03%	5.28%
US Corporate High Yield Index	1.69%	1.19%	6.98%

- The US Aggregate Bond Index posted a slightly positive return in April, up 0.11%. Negative price performance was offset by carry and tighter spreads, as Treasury yields ended the month higher.
- The war in the Middle East and strong Q1 corporate earnings dominated investors' attention. Meanwhile, economic data showed resilient consumer spending despite low confidence readings, and inflation that remains above the Fed's 2% long-term target.
- Interest rates were higher across the Treasury market curve. Yields rose 8 basis points (bps) for 2- and 3-year Treasuries, while yields further out the curve increased 5 to 7 bps.
- Investment-grade (IG) corporate credit outperformed Treasuries, with spreads tighter by 11 bps. IG spreads initially tightened following the news of the ceasefire in Iran, then stayed rangebound as the market's focus turned to corporate earnings releases, which generally exceeded expectations. New issue supply eased in the midst of earnings season before picking up later in the month.
- High-yield (HY) credit spreads also narrowed, retracing most of the widening that occurred in February and March. Option-adjusted spreads (OAS) tightened 49 bps, with the OAS of the Index closing April at 268 bps. As a result, the US Corporate High Yield Index posted a solid 1.69% return for the month.
- Securitized products also outperformed Treasuries but lagged corporates. Spreads for agency mortgage-backed securities (MBS) narrowed slightly, with the OAS tightening 4 bps over the month, buoyed by a decrease in rate volatility and strong technicals.
- Similarly, asset-backed securities (ABS) outperformed Treasuries. The ABS Index posted an excess return for the month of 0.21%, versus 0.77% for IG corporates and 0.24% for MBS.
- The preferred sector posted a strong month, returning 2.23% in April. Spreads for US bank preferreds tightened on the month and their shorter durations allowed them to outperform high yield.



# TAXABLE BOND SNAPSHOT

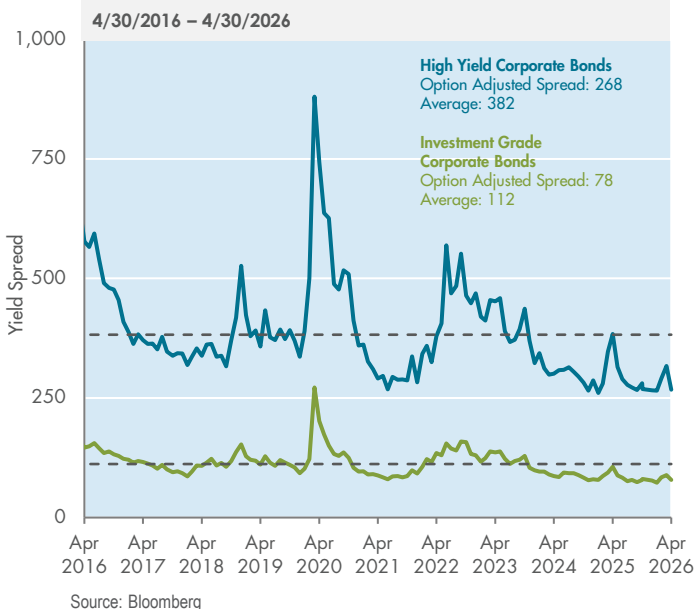
APRIL 2026

## SECTOR ALLOCATION

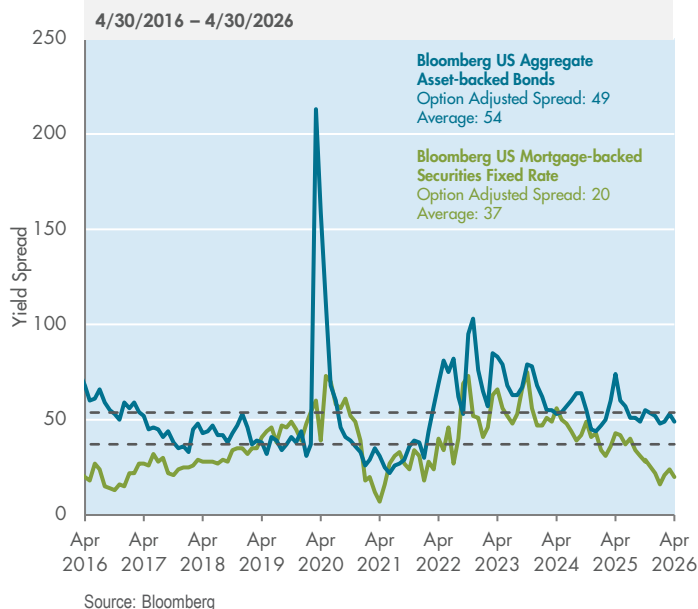
## GW&K STRATEGY POSITIONING

<b>DURATION &amp; YIELD CURVE</b>	Our duration stance remains neutral. The FOMC again pointed to risks on both sides of its dual mandate and also stated that the developments in the Middle East are creating uncertainty about the outlook for the economy. Given this, we deem a neutral stance to be prudent until there is some resolution to the conflict and more clarity around the longer-term impacts to inflation and economic growth.
<b>TREASURIES</b>	We continue to favor spread product over Treasuries in what remains an attractive carry environment, with a focus on high-quality, liquid issues and issuers.
<b>GOVERNMENT RELATED</b>	Likewise, we maintain our overweight to taxable municipal bonds, supported by strong fundamentals and the relatively recession-resistant characteristics of the asset class.
<b>CORPORATE BONDS</b>	Tactically, we continue to overweight corporates. While macro risks warrant some caution and valuations remain rich relative to longer-term averages after tightening this month, the credit story remains compelling for carry-focused investors. Overall, corporate fundamentals are solid, earnings remain supportive, and technicals are favorable given attractive all-in yields.
<b>SECURITIZED</b>	Agency MBS and ABS continue to be core components of our portfolio allocation. Spreads for MBS are trading in the middle of their 6-month range and technicals for the sector remain positive. We feel that the securitized market still offers attractive relative value and favorable risk-adjusted return potential in the current environment.

### HIGH-YIELD & INVESTMENT-GRADE CORPORATE BOND SPREADS



### ASSET & MORTGAGE-BACKED SPREADS



#### Disclosures

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