Performance Summary

Overview of the Market

Asset Class Returns		Bond Rating Returns	
Asset Class	**April 2026 Performance**	**Rating**	**April 2026 Performance**
S&P 500	10.49%	BB	1.47%
High Yield Bonds	**1.70%**	B	1.82%
Leveraged Loans	1.28%	CCC and below	2.76%
3-5 Year Investment Grade	0.51%		
5 Year Treasuries	-0.03%		

ICE BAML High Yield Index		
Statistic	**04/30/2026**	**Month over Month Change**
Yield to Worst	6.94%	-44 bps
Option Adjusted Spread	280	-48 bps
2-year Treasury	3.89%	+8 bps
10-Year Treasury	4.39%	+7 bps
High Yield Default Rate	2.17%	+10 bps

The ICE BofA US High Yield Index ended the quarter with a yield-to-worst of 6.94% and an OAS of 280 bps, decreases of 44 bps and 48 bps, respectively. The yields on the 2-year and 10-year Treasuries yields increased 8 bps and 7 bps over the period, ending at 3.89% and 4.39%, respectively. New issue activity jumped with a large increase month over month, $44bln of new bonds were priced compared to $22.1bln in March. For reference, the average volume in 2025 was $27.7bln. The trailing 12-month par-weighted High Yield default rate, including distressed exchanges, increased 10 bps and ended the month at 2.17%. High Yield funds reversed course to see inflows for the first time this year, with +$5.2bln in April and a YTD 2026 total of -$5.0bln. For reference, FY 2025 saw total inflows of $18.1bln.

Performance rankings of asset classes during the month were: S&P 500 Index 10.49%, High Yield Bonds 1.70%, Leveraged Loans 1.28%, 3-5 Year Investment Grade 0.51%, and 5-Year Treasuries -0.03%.

Returns by rating within High Yield Bonds were: CCC & below-rated bonds 2.76%, Single-B rated bonds 1.82%, and Double-B rated bonds 1.47%.

In the ICE BofA US High Yield Index the sectors with the best total returns were: Financial Services 2.33%, Automotive 2.24%, and Telecommunications 2.17%. The worst performing sectors were: Tech & Electronics 0.57%, Transportation 0.84%, and Capital Goods 1.28%.

Portfolio Commentary

The fund returned 1.73% USD net in April, outperforming the ICE BofA US High Yield Index by 1 bps and Morningstar peers by 4 bps. Performance attribution reflected a 20 bp detraction from sector allocation but mostly offset by a 20 bp contribution from security selection.

Markets rebounded strongly in April, with the S&P 500 rising 10.5% and the tech-heavy Nasdaq gaining 15.3%, driven by optimism surrounding a potential resolution to the Iran conflict, strong corporate earnings, and continued enthusiasm around AI. In this risk-on environment, spreads within the High Yield Index tightened 48 bps, ending the month with an OAS of 280 bps

Sector allocation detracted 20 bps, with no notable contributors. The only notable detractor was Healthcare.

- Healthcare: The fund's overweight exposure to Healthcare detracted in April's risk-on environment, as the portfolio is primarily invested in lower-volatility, higher-rated subsectors such as Health Facilities, Services, and Medical Products.

Security selection contributed 20 bps, led primarily by Financial Services and Real Estate. There were no notable sector-level detractors from security selection.

- Financial Services: The contribution was driven by a new position in Upstart convertible bonds added following the market selloff. Upstart Holdings uses AI-driven models and non-traditional data to make lending decisions, and the position performed well as markets recovered.
- Real Estate: The fund's real estate exposure, which is concentrated in lower-rated bonds, benefited from April's strong risk-on environment.