

Index	Asset Class	2025		2024
		Apr.	YTD	
Equity Indexes		Total Returns		
NASDAQ 100	Mega Cap U.S. Growth Equity	1.6%	(6.7)%	25.9%
S&P 500	Large Cap U.S. Equity	(0.7)	(4.9)	25.0
S&P 400	Mid Cap U.S. Equity	(2.3)	(8.2)	13.9
S&P 600	Small Cap U.S. Equity	(4.2)	(12.7)	8.7
MSCI All Country World	Global Equity	1.0	(0.3)	18.0
MSCI All Country World (Ex U.S.)	International Equity	3.7	9.3	6.1
MSCI Europe, Asia & Far East (EAFE)	International Developed Market Equity	4.7	12.0	4.4
MSCI Emerging Markets (EM)	International Emerging Market Equity	1.3	4.4	8.1
Fixed Income Indexes				
Bloomberg U.S. Aggregate Bond	U.S. Investment Grade Bond	0.4	3.2	1.3
S&P National AMT-Free Municipal Bond	U.S. Investment Grade Muni Bond	(0.6)	(1.2)	1.3
S&P Municipal Bond High Yield	U.S. Muni Bonds (Below Investment Grade)	(1.5)	(1.0)	6.7
Bloomberg U.S. Corp. High Yield	U.S. Corp Bonds (Below Investment Grade)	(0.0)	1.0	8.2
Index Blends: Stock/Bond				
80%/20%: Global Equity (MSCI All Country World) / U.S. Investment Grade Bond (Bloomberg U.S. Agg)		0.9	0.5	14.5
60%/40%: Global Equity (MSCI All Country World) / U.S. Investment Grade Bond (Bloomberg U.S. Agg)		0.7	1.2	11.1
40%/60%: Global Equity (MSCI All Country World) / U.S. Investment Grade Bond (Bloomberg U.S. Agg)		0.6	1.8	7.7
20%/80%: Global Equity (MSCI All Country World) / U.S. Investment Grade Bond (Bloomberg U.S. Agg)		0.5	2.5	4.5
Data as of 4/30/2025. Source: Morningstar, and blended benchmark returns are based on monthly rebalancing.				

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**Please see important disclosures at end of this report.**

## Overview & Economy

**“The 30,000 Foot View.”** Perspectives on the economy and markets have been whipsawed by the Administration’s haphazard iterations regarding trade tariffs<sup>1</sup>. We could go back to January, when President Trump announced 25% “fentanyl” tariffs on all imports from Canada and Mexico... But the iterations really intensified since the fanfare around so-called “Liberation Day” on April 2nd, when varying and significant punitive tariffs were announced on 90 countries, on top of 10% across the board tariffs. After a sharp swoon hit global investment markets, a 90-day pause on the so-called “reciprocal” tariffs was announced on April 9th – however, this pause excluded China. More important than the 125% vs. 145% import tariffs now in place between the U.S. and China, respectively, is the fact that these rates are tantamount to a trade embargo. As we wrote in our recently published *Quarterly Market Guide*, ‘maybe the only thing we can be certain about the rate of tariffs is that whatever is said today... will probably change tomorrow.’

With our research commentaries, it is a primary goal to filter the noise and synthesize the facts. This is helpful in typical times simply due to the breadth of data and opinions, but even more so at times such as these when the facts themselves keep changing. Hence, here’s our current “30,000 foot view” – Any tariffs in place, regardless of the specific rates, will: (1) raise prices for U.S. consumers and adversely impact supplies<sup>2</sup>; (2) promote more conservative business planning for most industries, including with regard to staffing; and (3) increase near-term uncertainty and risks regarding economic trends and corporate profit expectations. Examples of the latter are the just reported negative print for Q1 GDP<sup>3</sup> and the increasing number of public companies withdrawing profit guidance.<sup>4</sup>

## Equity Markets

The equity index returns over the full month of April, as shown in the table on the preceding page, mask some extreme intra-month volatility. As an example, the S&P 500 finished down 0.7% in April on a total return basis, but it was down intra-month 11.2% as of April 8. Needless to say, the recent volatility across equity markets has been highly usual, and unfortunately, we are not able to provide any assurances that it will not continue over coming quarters.

Looking back at April and the year-to-date equity index comparisons, the shift in geographic leadership has continued in favor of International stocks over U.S. stocks. And within the U.S., Large Caps have continued to fare better than Mid and Small Caps.

## Fixed Income Markets

Bond index returns in April were mixed, albeit with much narrower amplitudes than the equity indexes – as should be expected. The principal return comparisons that we'd like to highlight are that taxable bond indexes have been outperforming their comparable municipal peers – investment grade and high yield, and for the month and year-to-date. We believe this is primarily attributable to bond investors moving to discount the implications of two factors: (1) anticipated tax cuts would, on the margin, reduce the tax-equivalent yield of municipal bond dividends; and (2) moves by the Trump Administration to reduce Federal funding for states may lead some states to issue additional debt to cover their budget needs, which could thereby potentially impact credit quality for their pre-existing 'general obligation' bonds.

### Reference(s):

- 1) New York Times News Article, "A Timeline of Trump's On-Again, Off-Again Tariffs", Updated April 21, 2025 – [Link](#)
- 2) CNBC News Article, "The trade war's wave of retail shortages will hit U.S. consumers in stages...", April 24, 2025 – [Link](#)
- 3) CBS News Article, "U.S. economy went into reverse in the first quarter, new GDP data shows", April 30, 2025 – [Link](#)
- 4) Reuters New Article, "Companies withdraw guidance amid Trump's tariffs", Updated April 30, 2025 – [Link](#)

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