MONTHLY MARKET UPDATE

The Point

April 2026

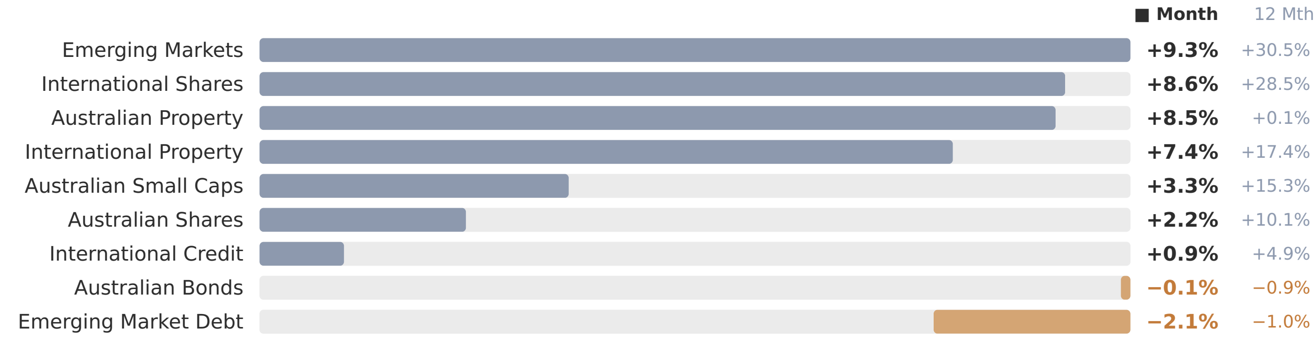
Prepared for clients of Eightfold Advisory

To discuss how these developments may affect your portfolio, please contact your adviser.

> April delivered a sharp risk-on rebound. A US-Iran ceasefire mid-month lifted global equities, with emerging markets and hedged international shares leading. Australia lagged the rally as domestic inflation reaccelerated and the case for further RBA tightening firmed.

INTERNATIONAL SHARES (H)	EMERGING MARKETS	AUSTRALIAN SHARES	AUSTRALIA CPI (YOY)
+8.6%	**+9.3%**	**+2.2%**	**4.6%**
Ceasefire-driven rebound; IT and telecoms led	Largest gainer as oil-sensitive Asia recovered	Domestic market lagged the global bounce	March print well above the RBA's target band

How Asset Classes Performed



Source: Bloomberg, Mercer, LSEG Datastream. April 2026. Global shares and bonds hedged to AUD where indicated. Past performance is not a reliable indicator of future performance.

What Happened

Australia

Risk appetite returned once the US-Iran ceasefire was announced, with IT and real estate sectors leading after a punishing six-month stretch for technology names. Healthcare was the standout drag as the United States moved to introduce long-flagged tariffs on imported pharmaceuticals.

Hot March inflation data dominated the macro backdrop. Headline CPI rose 1.1% in the month, lifted heavily by a 9.2% jump in transport costs. Trimmed mean inflation was steadier, but the headline shock reinforced the case for further RBA tightening.

Government bond yields drifted higher on hawkish RBA expectations, leaving Australian bonds slightly negative for the second consecutive month. The market is pricing the next rate hike at the early May meeting, with another hike expected before year-end.

The labour market continued to soften at the margin. Unemployment held at 4.3% and full-time employment rose, but easing momentum should give the RBA some comfort that earlier hikes are filtering through.

Global

A US-brokered ceasefire with Iran defined the month. Markets rallied on hopes of an enduring resolution and a return to normal oil flows through the Strait of Hormuz, with sectors most exposed to higher energy costs leading the rebound.

The pattern of sector leadership flipped. IT and telecommunications led globally, while energy was a notable detractor after several months of outperformance. Emerging markets did particularly well, with the previously hardest-hit oil importers in North Asia among the strongest performers.

Energy markets remained volatile within the month. Brent crude fell sharply on the ceasefire announcement before reversing higher into month-end as the talks faltered and the Strait stayed largely closed for the second consecutive month.

Major central banks stayed on hold and maintained a hawkish posture. The Fed, ECB, BoE and BoJ all left rates unchanged, with each board flagging that inflation pressure has yet to clearly subside. Credit spreads narrowed on the risk-on tone.

How We See It

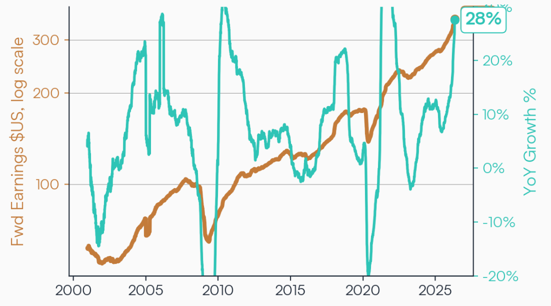
Beneath the noise around oil and the Middle East, the underlying picture is more constructive than the headlines suggest. US corporate earnings have just delivered their strongest quarter in two decades, with growth above 20% and a record share of companies beating expectations. Artificial intelligence is beginning to show up as real productivity in company margins, not just in capital expenditure budgets. Households are spending, jobs are holding, and the world's largest economy is in better shape than the daily news cycle suggests.

The risks are real too. Higher energy costs have pushed inflation back up; central banks, including the RBA, are likely to keep rates elevated for longer; and a prolonged conflict in the Middle East would test the resilience of consumers and corporate margins. The path forward looks more volatile than smooth.

That combination shapes how we are positioning portfolios. We are leaning into the structural themes we have conviction in: artificial intelligence and the productivity it is driving, Asian technology where valuations remain attractive, gold as a long-term store of value at a time when confidence in reserve currencies is eroding, and the commodities and capability that sit behind the global rearmament cycle. We are being more selective in fixed income.

Charts of the Month

US earnings growth has accelerated to its strongest reading in two decades



Source: Bloomberg, arcpoint. S&P 500 forward earnings (left axis, log scale) and YoY growth (right axis).

Gold has reasserted itself as a strategic asset

Source: Bloomberg, World Gold Council, arcpoint. Gold spot price (USD/oz), log scale.

What We Are Watching

- **Inflation and Australian rates.** Higher energy costs are flowing through to local prices and the RBA is leaning towards another rate hike. That affects mortgages, business borrowing and the dollar.
- **The path of the Middle East conflict.** A longer disruption through the Strait of Hormuz weighs on global growth and lifts inflation. This is the biggest swing factor in the near term.
- **Artificial intelligence delivering on its promise.** The benefits are showing up in company margins and earnings, but not every business will benefit. Adoption pace, build-out costs and the regulatory path all matter.
- **Asian technology and the global rebalance.** Asian economies are increasingly trading with each other, and Asian technology champions are catching up on cost and capability. We see a multi-year opportunity.
- **Gold and strategic commodities.** Central banks continue to buy gold. The geopolitical and fiscal forces behind that buying are not going away, and we think gold and the broader strategic commodities theme remain core holdings.