



ALTUS

INVESTMENT

Market Update

April 2026

March Market Returns

Equity Indices

Index	1M Change %	YTD Change %	12M Change %
S&P 500	(5.09)%	(5.33)%	16.33%
NASDAQ Comp.	(4.89)%	(6.76)%	23.14%
FTSE 100	(6.73)%	2.37%	18.57%
Hang Seng Index	(6.92)%	(4.12)%	7.22%
Nikkei-225	(13.23)%	1.44%	43.37%
Euro Stoxx 50	(9.26)%	(3.91)%	6.12%
MSCI World Index	(6.55)%	(4.49)%	17.35%
MSCI EM	(13.26)%	(0.38)%	26.86%
Shanghai Comp.	(6.51)%	(1.85)%	16.67%
NIFTY 50	(11.31)%	(13.91)%	(5.05)%
Ibovespa Brazil	(0.70)%	16.35%	43.91%
S&P Merval Argentina	13.46%	(1.76)%	28.18%

Fixed Income Yields

Tenor	Yield %	1M Change (bps)	YTD Change (bps)
US 2Y	3.79%	42 bps	34 bps
US 10Y	4.32%	38 bps	19 bps
US 30Y	4.91%	30 bps	10 bps
UK 10Y	4.92%	68 bps	42 bps
JGB 10Y	2.35%	23 bps	29 bps
DE 10Y	3.00%	36 bps	15 bps
ETF	Yield %	1M Change %	YTD Change %
LQD <small>(iShares Inv. Grade Corp. Bond ETF)</small>	5.55%	0.30%	0.26%
HYG <small>(iShares iBoxx High Yield Corp. Bond)</small>	7.49%	0.30%	0.65%
EMB <small>(iShares J.P.Morgan EM Bond ETF)</small>	6.81%	0.63%	0.55%
EMLC <small>(V.E.I.P. Morgan EM Local Currency Bond)</small>	7.36%	0.55%	0.43%

Other Assets & FX Rates

Asset	Price (USD)	1M Change %	YTD Change %
Brent	118.3	63.13%	91.15%
Gold	4,668.1	(11.57)%	7.57%
Silver	75.2	(19.85)%	(1.48)%
Uranium	84.0	(2.67)%	2.63%
Soft Commodities	27.3	4.96%	6.78%
Bitcoin	68,193.9	4.07%	(22.67)%
Currency Pair	Rate	1M Change %	3M Change %
EUR/USD	1.16	(2.20)%	(1.66)%
USD/JPY	158.7	1.71%	1.48%
GBP/USD	1.32	(1.89)%	(1.79)%
USD/CHF	0.80	3.92%	0.98%
USD/CAD	1.39	2.02%	1.60%
AUD/USD	0.69	(3.06)%	3.06%

April Outlook

Everything hinges on what happens next in the Middle East. However, there are only two clear outcomes in our opinion:

1. Trump exits the regions and claims victory. In this scenario we would expect the market to focus on how long it will take for oil and natural gas prices to normalise, and we would expect some short-term recovery in risk assets, and a retreat in bond yields.

2. The situation further escalates, preventing the reopening of the Strait of Hormuz, through an inability to negotiate a suitable point of protection for Iran in terms of future attacks. That starts to push oil prices towards a breakout of >\$150 per barrel. The risks here are clear for markets and the global economy. There are likely very few, if any, market participants who experienced stagflation before. But this is where we will likely be headed.

Interesting (Crazy) Numbers

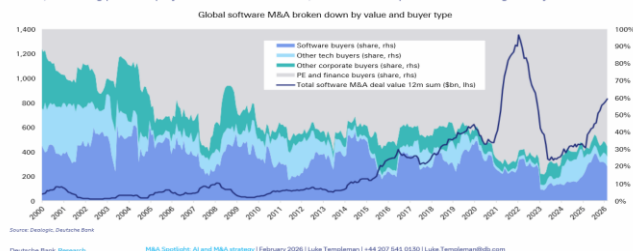
- **\$852bn** - the latest valuation for OpenAI following the most recent \$130bn funding round.
- **\$17.7tr** - the total market cap of world's 5 biggest companies versus \$2.1tr 10 years ago
- **51%** - aggregate allocation of US households to equity markets, which is at all-time highs
- **4.92%** - the level of UK 10-year gilt yields – the highest since 2008
- **\$189bn** - the total amount of capital raised in Feb for private companies, the largest ever month on record
- **43 Seconds** -- the total amount of time Amazon needs to generate \$1m of sales

What Has Caught Our Attention

Below the Credit

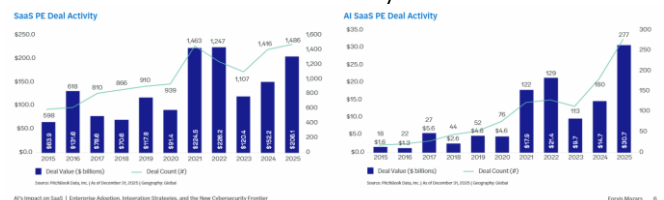
- Recent market chatter revolves heavily around software and private credit, and has been growing louder and louder, following our reference to this back in December. Recent events have included but not limited to: Apollo's redemption requests reached 11.2% of shares, and the firm enforced the 5% quarterly cap; BlackRock honoured 5% NAV redemptions and gated the remainder; and Cliffwater gated ~50% of redemption demand. However, what the market doesn't seem to talk about is the sponsor backed equity that sits below the credit. So how bad is it?
- Private equity has become the dominant force in software investing over the last decade, completing **over 1,900 M&A deals** and almost 4,000 funding rounds across the US and Europe since 2015. By 2025, PE firms invested over \$130 billion in global SaaS. Software accounted for 18% of all US PE deal value that year. Financial sponsors now control 72% of global software M&A value, up from 28% in the 2000s, while corporate and tech acquirers have fallen to 5% and 23%, respectively. In 2025 alone, PE software deal volume surged 116% year over year, with total M&A value up 188% to about \$299 billion across 111 transactions.

Software M&A by non-tech corporates has room to grow, especially as companies consider buying v building certain capabilities. Such M&A's share of global software dealmaking (by value) has shrunk from 17% in 2000s to 5% in 2020s, with tech buyers (45% to 25%) also sidelined amid a rise in sponsored and similar transactions (20% to 72%). Those big private equity deals would need an exit, and a sale to corporate will be among the key routes.



- Just like the rest of the economy, the PE market has gradually shifted to K-shape, with most of the fundraising and deployment done by mega-cap

sponsors with deep sector specialization, while leaving them potentially more exposed should the “AI replacing software” angle play out. Thoma Bravo leads with \$181 billion AUM and more than 565 software deals totalling roughly \$285 billion in enterprise value. Vista Equity follows with \$100 billion AUM and 600+ transactions focused on enterprise SaaS. Other notables are EQT and Providence Equity. Investment remains tilted towards enterprise SaaS, which absorbs over 60% of all PE software deal activity.



Valuations and leverage have reset since 2021's boom. US buyout multiples fell to 12.0x EV/EBITDA from a peak 14.1x, while average equity contributions surpassed 50% (a severe shift from the ten years prior to 2022, when average equity contributions hovered around 41%) for the first time. Debt leverage fell from 5.31x to 4.66x, and interest coverage declined from 4.13x to 3.46x.

Our concerns for private equity, particularly sponsor-backed software deals is that we have yet to see what this means for private equity portfolios. Many large software names remain significantly below their all-time highs. The problem for LBO funds is that their strategies are based on deploying capital, adding leverage and selling the company. This strategy isn't so easy to execute when the whole business model of the business you are trying to sell comes into question. Hard to conclude where this all goes but we suspect by the end of this year the conversation will go from Private Credit to Private Equity and DPIs will be a new favourite topic!