

# Mid-Quarter Update

April reminded investors just how quickly sentiment can shift. From the announcement of sweeping new tariffs to a negative GDP print and better-than-expected job growth, the month delivered a mix of news that drove elevated volatility across both stock and bond markets.

The severity of the tariffs took the markets by surprise and set off a dramatic decline in stocks and a sharp rise in bond yields. At one point, the stock market briefly dipped into bear market territory before rebounding later in the month, largely due to President Trump's 90-day pause on reciprocal tariffs and less threatening tone toward Federal Reserve Chair Jerome Powell.

Amid the noise, recession fears rose, and the economic outlook dimmed as first-quarter GDP came in at -0.3%, driven in part by front-loaded imports ahead of tariff implementation. Yet the addition of 177,000 new jobs underscored continued labor market strength and helped stabilize sentiment. Recession odds have risen, and we will soon find out if the Trump tariff shock is sufficient to tip the economy into negative mode.

These conflicting signals point to what we see as a possible market backdrop as we move forward defined by slower economic growth, structurally higher interest rates, and reduced fiscal and monetary thrust. In an environment such as this, quality is not just a desirable trait, it is essential. We continue to believe companies with durable business models with pricing power, strong balance sheets, and operational discipline are best positioned to weather volatility and deliver strong results over full market cycles. That philosophy underpins everything we do, from stock selection to portfolio construction, and it continues to serve our investors well.

We are pleased to report that Crawford strategies are performing well in the current environment. This is a testament to the benefits of our process and philosophy in navigating uncertain markets. While macro uncertainty persists, we believe the resilience of our investment approach and the companies we invest in will remain a source of confidence and

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long-term value.

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